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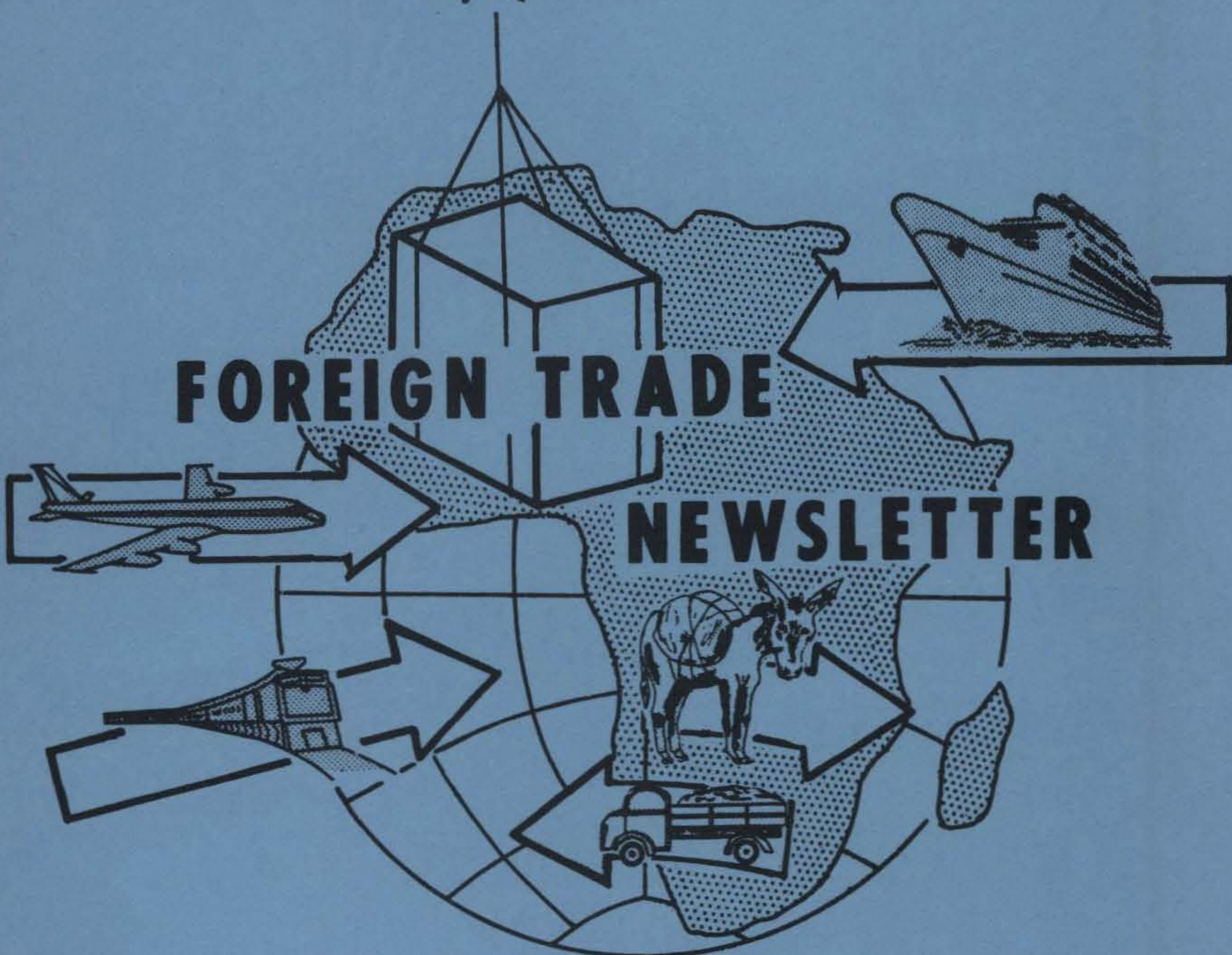

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FOREIGN TRADE NEWSLETTER

No 26

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FOREWORD

The Foreign Trade Newsletter is prepared in the Trade Section of the Economic Commission for Africa.

The information published has been so far almost entirely based on reports in newspapers and periodicals; the secretariat cannot therefore be responsible for inacurracies or deficiencies.

This issue includes material received from September 1969 to December 1969 inclusive.

The geographical names in the Newsletter do not imply endorsement or acceptance by the United Nations.

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NEWS DIGEST

TRADE AGREEMENTS

BETWEEN AFRICAN COUNTRIES

Burundi - Zambia : The trade agreement of November 14, 1968 between Burundi and Zambia has been ratified. The agreement is valid for one year, renewable annually by tacit agreement. Each nation will grant the other most-favoured-nation treatment.

Among the products, mainly manufactured articles, to be exported from Zambia to Burundi are: galvanized steel plate, textiles, knit-wear and made-up clothing, fishing-nets, furniture, radios and electrical equipment, car-batteries, paper products, pharmaceuticals and feeding-stuffs for cattle.

Articles to be exported by Burundi include: animals on the hoof and carcase meat, cottonseed oil and cattle-cake, chinchona bark, pyrethrum flowers, hides, fish, manioc sorgho and maize, sewing machines and spare parts, soap, plastic footwear and gardening implements, coffee, tea, fruits, vegetables and beverages.

(Board of Trade Journal, London, 27/8/69)

Congo (Brazzaville) - Mauritania : A delegation from Congo (Brazzaville) has arrived in Nouakchott to initial a contract drawn up between the two countries within the framework of the protocol of a trade agreement signed on 1 December 1967, also at Nouakchott.

Under the terms of this protocol, Congo undertakes to import 4 000 tons of dried fish from Mauritania, whilst Mauritania will import 6 000 tons of Congolese sugar.

(Marchés tropicaux, Paris, 6/9/69)

Congo (Kinshasa) - Nigeria : On the occasion of this year's International Fair at Kinshasa, Nigeria and Congo concluded a trade agreement which will help to some extent to re-establish the trade balance between the two countries. The existing trade balance is unfavourable to Nigeria, whose exports to Congo are in fact negligible. Sales in 1968 did not exceed £N 22 100 (compared with £N 37 800 in 1966 and £N 21 000 in 1967). On the other hand, Congo's exports to Nigeria reached £N 243 200 in 1966. It is true that Nigerian purchases of Congolese zinc have been an important factor in this imbalance; they amounted to £N 263 000 in 1967 and £N 88 000 in 1966.

The trade agreement just concluded provides for further substantial purchases of Congolese raw materials by Nigeria, in addition to various agricultural products. Nigerian exports will for the most part be of manufactured goods.

(Marchés tropicaux, Paris, 6/9/69)

Nigeria - Togo : Under the terms of a trade agreement concluded on 29 July at Lomé between Nigeria and Togo, Nigeria will export natural rubber, machinery, petroleum and aluminium products to Togo and in exchange will purchase phosphates, textiles and agricultural produce. It may be noted that the trade balance between the two countries is favourable to Nigeria; the latter's sales to Togo amounted to £N 23 400 in 1968 against £N 26 100 in 1967 (including lumber exports of £N 10 000) and £N 91 200 in 1966 (including exports of petrol amounting to £N 53 100). On the other hand, Togo's exports to Nigeria amounted to only £N 5 700 in 1968, against £N 4 500 in 1967 and £N 9 700 in 1966.

(Marchés tropicaux, Paris, 18/8/69)

Tunisia - Congo (Kinshasa) : It has been announced that the trade agreement of 1964 between Tunisia and Congo (Kinshasa) has been renewed for a further year from 30 May 1969. Quotas under the agreement remain unchanged compared to the previous year and all imports will be made according to needs.

(Boards of Trade Journal, London, 20/8/69)

United Arab Republic - Guinea, Senegal, Tunisia : An agreement has been concluded with Guinea aiming at increasing the value of trade between the two countries from $1 million a year to $3.2 million. A period of grace until 1971 has been granted on Guinea's outstanding debts under the existing agreement, and further credits and facilities on invisible transactions have been raised from $500 000 to $1.5 million.

Agreement has also been reached with Senegal at the end of a meeting of the joint Senegal-UAR commission, set up initially in 1967, to raise trade between the UAR and Senegal to a minimum of $400 000 each way in 1970; the commission had expressed the wish to see a growth of 20 per cent a year in this trade.

The agreement with Tunisia aims at increasing trade between the two countries from the present low level of $500 000 to ten times that figure.

(Quarterly Economic Review, London, No. 3 1969)

BETWEEN AFRICAN COUNTRIES AND OTHER COUNTRIES

Algeria - USA : An important agreement concerning annual consignments of Algerian natural gas to the United States has been concluded between the Algerian SONATRACH Corporation and the American concern, EL PASO NATURAL GAS COMPANY.

Under the terms of this agreement, which results from a preliminary protocol initialled by the two parties last July (v. ACE No. 24) and has now been submitted to the competent authorities of the respective countries for approval, Sonatrach will deliver 10 billion m3 of natural gas to El Paso yearly. Deliveries will begin in 1973 and the contract will run for 20 years; the gas will be used to supply the East Coast of the United States.

By this agreement, Algeria will increase it's annual revenues from petroleum exports by about 33 per cent without jeopardizing the enormous reserves at its disposal for its own needs and for its foreign outlets.

The gas will be sold to El Paso directly from a new liquifying plant at Arzew; this plant will be built specially for the purpose and will be the third and also the largest in Algeria. A fleet of from nine to eleven tankers, of which two will be supplied by Sonatrach and the remainder by El Paso, will be built at a cost of $ 350 million to transport the gas; they will be the largest vessels of their type in existence.

A new gasification plant will also be built at the delivery point on the United States East Coast.

(Marchés tropicaux, Paris, 18/10/69;
International Financial News Survey, Washington, 21/11/69)

Guinea - Poland : A trade protocol between Poland and Guinea was signed on 16 October. The document extends the validity of the existing trade and payments agreement between the two countries to the years 1970 and 1971. Trade relations between Poland and Guinea, which developed from 1960 onwards, have since fallen practically to zero; a new effort to revive them appears to have been made.

(Marchés tropicaux, Paris, 8/11/69)

Ivory Coast - Israel : A protocol agreement extending the Israeli-Ivory Coast trade agreement for a further five years from 20 January next was signed at Abidjan on 20 October.

A report was drawn up on this occasion, reviewing the progress of trade between the two countries since December 1967, when the previous meeting of the joint Israeli-Ivory Coast committee was held. The report shows that Israel's trade balance with the Ivory Coast is very unfavourable; from 1965 to 1968, the former's exports amounted to $ 2 645 000, whilst its imports from the Ivory Coast - mainly of raw materials - amounted to $ 6 780 000. The two delegations agreed to facilitate Israeli exports to the Ivory Coast.

Finally, during the joint committee's session, the possibility of industrial co-operation between the two countries was raised; on this subject, contacts will be continued through diplomatic channels until the next meeting of the joint committee, which will be held next year in Jerusalem.
(Marchés tropicaux, Paris, 25/10/69)

Senegal - Rumania : The text of a trade agreement between Senegal and Rumania which was signed on 29 April 1969 has been published. The agreement is valid for one year and will be renewed annually.

Senegal will export to Rumania live animals, fish, fruit and vegetables, peanut and palm oil, animal feedstuffs, titanium and zinconium ore, oil products, fertilizers, paint, leather, textiles, cars and iron sheets.

Exports from Rumania will include various industrial equipments, tractors and farming machines, lorries, excavators, ships, railway rolling stock, ball bearings, tyres, timber products, paper, oil and oil products, chemical and consumer goods.
(Board of Trade Journal, London, 1/10/69)

Morocco - Cuba : A trade and payments agreement was signed recently between Morocco and Cuba. Under the terms of this agreement, which will run for three years (1970-1972), Morocco will import tobacco and 300 000 tons of sugar from Cuba, whilst Cuba will import 120 000 tons of triple phosphates, tinned sardines, vegetables and alpista. Deliveries of these products will be made over a three year period.

Under the agreement, sugar imports will be priced at 3.5 c. per 1 b. and Moroccan triple phosphates at $ 56 a ton instead of the current price of $ 38 a ton.
(Marchés tropicaux, Paris, 6/12/69)

Morocco - India : On 5 September, Morocco and India concluded a trade agreement for the years 1969-1970, under which India will import Moroccan phosphates and cork whilst Morocco will purchase Indian green tea and tobacco.
(Marchés tropicaux, Paris, 13/9/69)

Tunisia - Norway : It has been announced that the Trade Agreement of 1960 between Tunisia and Norway has been renewed for a further year from 1 April 1969. Quotas under the agreement remain unchanged compared with the previous year.
(Board of Trade Journal, London, 20/8/69)

Tunisia - Turkey : A contract has just been signed between the Sfax-Gafsa Co. and the Turkish fertilizer industry for the supply of 750 000 tons per annum of Tunisian phosphates over a period of five years. As soon as the three Turkish factories begin operation, which will be during the present quarter, deliveries will be made at a rate of 60 000 tons a month.

This will be the largest single market outlet for Tunisian phosphates and in addition, provides a new source of foreign exchange.
(Marchés tropicaux, Paris, 18/10/69)

United Arab Republic - Czechoslovakia : A trade agreement has been signed between Czechoslovakia and the United Arab Republic.

Under the new agreement, Czechoslovakia will import from UAR cotton, rice, fruits, vegetables and other foodstuffs, crude oil and phosphates, as well as textiles and chemicals. It will export to Egypt products from mechanical, chemical, iron, wood and food industries.

Czechoslovakia's trade with UAR represents 50 per cent of its total trade with Africa, and it ranks fourth in Egypt's foreign trade. The two countries decided to increase their exchanges.
(Africa, Paris, 16/12/69)

United Arab Republic - India, Yugoslavia : The agreement concluded with India provides for a trade target of 730 million rupees ($ 197 million) during the current financial year - some 30 per cent above the level of trade between the two countries in 1968/69.

Agreement has been reached with Yugoslavia to render trade between the two countries payable in convertible currencies after 1 July 1970. The two countries exchanged goods worth $ 40 million in 1968, and plan to raise this trade to $ 60 million during the current financial year. The existing payments agreement with Yugoslavia has been extended to the end of June 1970.
(Quarterly Economic Review, London, No. 3, 1969)

Upper Volta - Switzerland : It has been reported that a commercial agreement was signed between Switzerland and Upper Volta on 6 May 1969. The agreement will be valid for one year and will be renewed annually. Each nation will grant the other most-favoured-nation treatment.

Articles to be exported by Upper Volta are mainly natural products and include: groundnuts, cotton, skins and hides, fruit and handicrafts.

Among the products, mainly manufactured goods, to be exported from Switzerland to Upper Volta include: chemicals and pharmaceutical products, textiles, watches and sewing machines.
(Board of Trade Journal, London, 15/10/69)

EXTERNAL ASSISTANCE, CREDITS AND INVESTMENT

INTERNATIONAL ORGANIZATIONS

East Africa - ADB : The Executive Board of the African Development Bank (ADB) approved on 31 July a request to subscribe $1 million to the nominal capital of the East African Development Bank (EADB). It also agreed to open a line of credit of $2 million to the EADB, repayable over 11 years. The authorized capital of the EADB is $56 million, of which the three partner states - Kenya, Tanzania and Uganda - have contributed $33.6 million. While it is provided in the charter that the three member countries should hold a majority of the equity capital in the EADB, it is envisaged that some financial institutions, both within and outside East African Economic Community, should also contribute to its capital stock.

The ADB's participation in the capital of EADB conforms with its principles of developing co-operation with national and international organizations, in which it aims to play a "catalysing" role.

(International Financial News Survey, Washington, 17/10/69)
(Marchés tropicaux, Paris, 9/8/69)

Liberia - ADB : At the end of July, the African Development Bank (ADB) granted a loan of up to $1 350 000 to the Liberian Public Utilities Authority (PUA) to finance the purchase and installation of a 15 000 kw gas turbine for the latter's generating station at Bushrod Island near Monrovia. This turbine will play an important part in the PUA's expansion programme, which runs until 1981. The loan will be repaid in thirty quarterly instalments, of which the first becomes due four years from the date of signature of the agreement. The loan is guaranteed by the Liberian Government.

(Marchés tropicaux, Paris, 9/8/69)

Uganda - ADB : At the end of July, the African Development Bank (ADB) granted a loan of $70 000 to Uganda to finance a new technical study relating to water supply projects for Lira, Gulu and Tororo. In these three centres, substantial development programmes necessitating large quantities of water have recently been prepared (Teachers' Training College at Gulu; chemical fertilizer plant at Tororo; spinning factory at Lira).

(Marchés tropicaux, Paris, 9/8/69)

Central African Republic - EEC : The Central African Republic and the EEC have just signed a financing convention for a sum of CFA frs. 111 million for the construction and equipment of a river port at Nola, on the Upper Sangha; the site is in a lumber-producing area in the West of the country.

The project will be financed by a non-repayable grant from the European Development Fund and includes the construction of a quay wall 50 m. in length, two hangars in metal and the installation of a derrick and two mobile cranes.

(Marchés tropicaux, Paris, 8/11/69)

Gabon - EEC : On 3 November in Luxembourg, the Minister of State in charge of the Gabonese Embassy in Brussels signed two loan agreements to finance the construction of the Lower Obiga-River Wagny road.

This project will extend the Libreville-Ayem-Mikongo road in the so-called "des Abeilles" region of Gabon's second forest zone. Its total cost will be over $6 million (1 688 million CFA frs.).

To carry out this project, Gabon has obtained two loans from European institutions, contracts for both of which were signed in Luxembourg:

(1) A loan of $2.33 million (about 647 million CFA frs.) from the European Investment Bank (EIB). This loan is repayable over 16 years and carries interest at 7.5 per cent; a discount of 3 per cent will be allowed on this interest rate, however, as a result of the 18 April 1969 decision in Gabon's favour by the Commission of the European Communities;

(2) A loan on special conditions of $2.5 million (about 695 million CFA frs.) granted by the European Development Fund; this loan is repayable over 25 years with a 10-year deferment period and carries interest at 1 per cent.

The European Investment Bank will act as administrator for this latter loan on behalf of the EEC; for this reason, both contracts were signed in Luxembourg, where the bank has its headquarters.

The new road, which as we saw above, the EEC is helping to finance, is part of an infrastructure programme undertaken by the Gabonese Government to promote Okumé wood production in this area. It will make possible the freeing of blocked felling licences granted in relation to the zone East of the River Obiga, representing a potential, in Okumé alone, of about 815 000 tons; the European Investment Bank has evaluated the resulting economic effects as highly favourable, both in terms of value-added and of foreign exchange receipts.

(Marchés tropicaux, Paris, 8/11/69)

Ivory Coast - EIB : On 4 November, the European Investment Bank concluded a loan agreement for $527 000 (about 145 million CFA frs.), expressed in units of account, with the Ivory Coast citrus and perfume horticulture Consortium. The loan will be used to finance a project for a citrus-fruit processing factory and a 500 ha. plantation, for the production of essential oils and of juices and extracts from citrus fruits.

The factory will have an annual processing capacity of 34 000 tons of citrus fruits (lemons, bergamots, seville oranges and limes) which will be initially supplied from 1 600 ha. of existing plantations belonging to small proprietors. The entire production of citrus extracts (2 150 tons) and essential oils (170 tons) will be exported, in particular to share-holder companies in the Consortium; part of the concentrated fruit-juice production (1 260 tons), however, will be sold on the home market to supply non-alcoholic drink manufacturers.

The EIB loan is repayable over 8 years and carries interest at 7 per cent; the Ivory Coast Industrial Development Bank (BIDI) is also participating.
(Marchés tropicaux, Paris, 8/11/69)

Botswana - IDA : The International Development Association (IDA), an affiliate of the World Bank, has approved a credit of $2.5 million to Botswana. The credit will finance the costs of engineering design and preliminary works for infrastructure electric power, water, transport and a township - required for a proposed copper/nickel mining development in north-eastern Botswana.

Exploratory work for the mining development is being carried out by Bamangwato Concessions Limited (BCL), a company whose main shareholders are Botswana RST and Mineral Separation Limited. (The main shareholders of Botswana RST are Roan Selection Trust and American Metal Climax). BCL will be reorganized into a mining company in which the Government of Botswana will have a 15 per cent interest. BCL's studies show that ore could be mined at a rate of 2,160,000 short tons a year at two adjacent sites, Pikwe and Selebi. It would be treated as a common plant consisting primarily of a concentrator and smelter, equipped to produce 37,000 short tons of copper/nickel matte and 125,000 short tons of sulphur annually. The total capital required for the mining project is estimated at the equivalent of $100 million. BCL is now negotiating for the sale of the copper/nickel matte and for the financing of the mining project.

The credit will be for a term of 50 years, including 10 years of grace. It will be interest free but will carry a service charge of 3/4 of 1 per cent to cover IDA's administrative costs. In the event the mining project is unduly delayed or not carried out, BCL has agreed to repay IDA one-half the amount disbursed under the credit.

A feasibility study of the infrastructure needed for the development of the Pikwe-Selebi copper/nickel deposits was made in 1968 by Sir Alexander Gibb and Partners of London; the United Nations Development Programme financed the study and the World Bank was executing agency. The same consultants made another study of the township requirements, including preliminary water needs; this study was financed by the United Kingdom. The World Health Organization reported on the medical requirements. The Government will be responsible for the infrastructure and has applied to the World Bank for its eventual financing.

The IDA credit will finance the services of consultants who will conduct surveys, complete the detailed engineering and prepare contract documents for the construction of transportation, power, water, a township and medical facilities and assist in the evaluation of bids for these works. They will supervise construction of preliminary works which include site clearance, some housing, temporary offices, water and power supplies. The credit also will finance the cost of project co-ordinating staff during the design stage.
(IDA Press Release, Washington, 17/12/69)

Cameroon - IDA : The International Development Association (IDA), a subsidiary of the World Bank, announced on 5 September that it had granted a loan of $10.5 million to Cameroon to finance an education project. The loan is repayable over 50 years, with a deferment of ten years; it carries no interest, but a commission of 0.75 per cent per annum will be charged.

The loan will help the Cameroonian Government to build or enlarge 24 schools, to increase the number of qualified teachers of agricultural or industrial subjects and to reform teaching programmes, giving more emphasis to science and mathematics.

During the past twelve years, the number of pupils in Cameroonian primary schools has tripled and it has been estimated that 86 per cent of the school-age population attends these institutions. The number of pupils at secondary schools has also increased, but so far represents only 7 per cent of the corresponding age-group. This increase in the number of pupils has not been accompanied by any reform of organization, administration, or teaching programmes, and there is a shortage both of appropriate installations and of qualified teachers.

The Cameroonian Government's education project provides for the building or development and fitting-out of four teachers' training colleges, fifteen agricultural institutes and two new technical schools, whilst two others will be modernized. The 24 schools affected by the project will have a total capacity of 7 140 places, of which 5 500 will be new. The project will probably be completed towards the end of the first quarter of 1973, at a total cost of the equivalent of $14 million. UNESCO and FAO took part in the preparation and evaluation of the project, within the framework of the co-operation programme between these two agencies and the World Bank.
(Marchés tropicaux, Paris, 13/9/69)

Ethiopia - IDA : An integrated scheme, involving many elements, to improve and increase agricultural output in the Wolamo region of southern Ethiopia will be undertaken by the Ethiopian Government with the assistance of a credit equivalent to $3.5 million from the International Development Association (IDA). As a result of the development about 7,750 farmers will be able to produce more and better crops and earn a higher cash income.

Although agriculture in Ethiopia provides 90 per cent of the employment, 60 per cent of the gross national product and almost all exports, the vast majority of the population is still engaged in subsistence farming on very small holdings. The project being assisted by the IDA credit, therefore, combines the provision of about 230 miles of minor roads and farm tracks, five marketing centres, four coffee-processing factories, water supplies, agricultural credit, and the technical staff and administrative structure to plan and carry out the project. The aim is to improve both yields and quality of crops in three densely populated highland areas comprising 6,000 farms, and to resettle 1,050 farmers in two new settlement areas in uninhabited savanna land. This approach to agricultural development in Ethiopia should provide valuable experience and techniques for later application on a larger scale elsewhere in the highlands.

In the highland areas of Wolamo, production of maize, wheat and livestock will be increased by the use of improved seed, fertilizer, implements, working oxen and dairy cows which will be provided on credit. The new processing plants will improve the quality of coffee. In the settlement areas the main crops will be maize, mainly for local consumption, chillies for export and cotton for import substitution. Insecticides and sprayers, as well as the items to be provided for the highland farmers, will be available on credit.

At full production in the ninth year the net cash income of the average highland farmer should have increased from the present US$82 to US$130 annually. In the settlement areas the average farmer will earn a cash income of some US$175 in addition to subsistence for his family.

To manage the project efficiently, the Ethiopian Government is establishing a separate organization to be called the Wolamo Agricultural Development Unit (WADU). Because of the present acute shortage of trained and experienced Ethiopians, foreign staff will be required for management and some key executive posts but they will be phased out during the six-year project period, having trained a cadre of Ethiopians able to manage future phases of WADU.

The total cost of the project is estimated at the equivalent of US$5.1 million. The IDA credit will finance about 69 per cent of the total; the Government will finance 28 per cent and the remaining 3 per cent will come from United Kingdom technical assistance and the World Food Programme. The Food and Agriculture Organization of the United Nations assisted in the preparation of the project under the Bank/FAO Co-operative Programme.

The IDA credit will be for a term of 50 years, including 10 years of grace. It will be interest free but a service charge of 3/4 of 1 per cent will be made to cover IDA's administrative costs.

(IDA, Press Release, Washington, 22/10/69)

Ghana - IDA : A credit equivalent to $1.3 million announced by the International Development Association (IDA) will assist Ghana in carrying out the first stage of a long-term plan to expand the fishing industry. The project includes the addition of about 40 purse seine fishing vessels for inshore fishing and harbor studies for future fishing port development. Increased production will save foreign exchange expenditures by reducing the country's imports of fish, and contribute to the improvement of nutrition since fish is Ghana's chief source of animal protein.

Inshore fishing, mainly by 10,000 dugout canoes and over 200 mechanized plank-built vessels, accounted for over two-thirds of the country's catch. First priority has been given to expanding the inshore fishing fleet by the addition of improved modern vessels which will be built in Ghana by the Boat-yards Division of the Ghana Industrial Holding Corporation. The Boat-yards Division will also be strengthened with the assistance of a naval architect and a production expert being financed by the United Nations Development Programme. Credit for the purchase of vessels by fishermen will be available through the Agricultural Development Bank. The harbor studies to be carried out will provide the basis on which decisions can be made for future fisheries port development, both by improving facilities at the port of Tema and by providing facilities at another port to be selected.

The total cost of the project is estimated at the equivalent of $2.3 million. The Government will provide $560,000 of the local currency expenses and about $430,000 will be provided by the fishermen as down payments under hire-purchase contracts and as working capital for operation of the vessels. The $1.3 million IDA credit will cover the cost of imported engines, nets and other equipment and the foreign exchange costs of consultants' services and technical assistance.

The IDA credit will be for a term of 50 years, including a 10-year grace period. It will be free of interest but a service charge of 3/4 of 1 per cent will be made to cover IDA's administrative costs.

The project was prepared with the assistance of the Food and Agriculture Organization of the United Nations under the Bank/FAO Co-operative Programme. (IDA Press Release, Washington, 24/9/69)

Morocco - IDA : The World Bank and its affiliate, the International Development Association (IDA), are lending the equivalent of $14.6 million to Morocco to help finance a highway improvement and maintenance programme and the construction of a new 107 mile road between Agadir and Marrakech. The objective of the project is to ensure that Morocco's economic development is not hindered by the deterioration of its extensive primary and secondary road systems and rising transport costs, particularly in relation to agricultural development and tourism.

The Bank loan to Morocco, in an amount equivalent to $7.3 million, will be for a term of 20 years, including a four-year grace period, with interest at 7 per cent. The IDA credit, also of $7.3 million, will be for a term of 50 years, including 10 years of grace. The credit will be interest-free but will carry a service charge of 3/4 of 1 per cent to cover IDA's administrative expenses.

The road network is well developed, consisting of some 31,000 miles, of which 12,000 miles are paved and a further 2,400 miles are well-constructed earth roads. However, the highway system has deteriorated in recent years due to inadequate maintenance caused by insufficient allocation of funds and obsolete maintenance equipment.

The project being assisted by the Bank and IDA consists of a three-year programme providing for selective strengthening, reconstruction and improvement of 209 miles of primary roads; the construction of four new bridges on important main routes; the Agadir-Marrakech road; the purchase of maintenance equipment and spare parts; and a transport survey of the coastal zone. The works to be undertaken on the Agadir-Marrakech route consist of the improvement of existing sections at the northern and southern ends and new construction of the 64 mile section in the middle. The new alignment will provide a shorter route and will be a major improvement over existing tortuous mountain roads. Furthermore, it traverses an area with a promising tourist potential.

The project will be executed by the Inspectorate General of Roads in Morocco's Ministry of Public Works and Communications. The total cost is estimated at the equivalent of $21.1 million. The Bank and IDA financing will cover the foreign exchange costs and the local currency costs will be met by the Government.

(IDA Press Release, Washington, 8/10/69)

Uganda - IDA : A credit equivalent to $1.6 million from the International Development Association (IDA) for a road project in Uganda will support the Government's plans to expand and upgrade the highway system to meet the needs of growing traffic and to promote agricultural development.

The $11.6 million IDA credit will finance the foreign exchange costs of a $16.6 million project which includes the construction or reconstruction of about 412 miles of primary, secondary and agricultural roads and the detailed engineering of a further 248 miles of roads; a road investment and maintenance study; and technical assistance to strengthen the Ministry of Works, Communications and Housing (MOW) which will execute the project with the assistance of consultants.

The project will improve Uganda's primary road links with neighboring countries and secondary roads in populated and economically developed areas, particularly near Kampala, the capital. It will also open new areas for agricultural development and give impetus to tea production which is expected to become a major source of foreign exchange by the mid-1970s. The road investment and maintenance study is designed to identify road investment priorities and the maintenance needs of the highway system and to be given to the Works Division of the MOW will enable it to handle increased planning, construction and maintenance work and to train Uganda nationals who will eventually take over executive positions.

The detailed engineering of the roads now to be constructed or reconstructed was prepared by consultants as part of a road project for which IDA extended a credit of $5 million to Uganda in mid-1967.

The IDA credit will be for a term of 50 years, including a 10-year grace period. It will be free of interest but will carry a service charge of 3/4 of 1 per cent per annum to cover IDA's administrative expenses.
(IDA Press Release, Washington, 24/9/69)

East Africa - IBRD : The East African Economic Community is to receive a loan of $42.4 million from the World Bank to finance various rail transport projects, following negotiations which took place in Washington from 9 to 17 October. The East African Communications Council is expected to meet in Nairobi from 24 October onwards to study the World Bank's proposals. The loan would be used to finance improvements to certain track sections (Kahe - Voy, Ruvu - Mnyusi, Nairobi - Kampala) and also to maintenance workshops at Changamwe, Magadara and Dar-es-Salaam. It does not concern the purchase of locomotives for which appropriate finance was recently solicited; this latter has been arranged with those countries supplying the equipment concerned.
(Marchés tropicaux, Paris, 1/11/69)

East Africa - IBRD : The World Bank has made a loan equivalent to $35 million for the expansion and modernization of the two chief ports serving the East African Community, Dar-es-Salaam in Tanzania and Mombasa in Kenya. Increased capacity and more efficient operations are urgently needed to avoid growing congestion at the ports and to provide for the continuing economic development of the member states of the Community, Kenya, Tanzania and Uganda, and neighboring landlocked countries.

The loan was made to the East African Harbours Corporation (EAHC) and guaranteed jointly and severally by Kenya, Tanzania and Uganda. It is for a term of 25 years, including a 5-year grace period, and bears interest of 6½ per cent. The loan was approved by the Bank's Executive Directors in July, before the new interest rate of 7 per cent came into effect on August 1, and was signed yesterday (August 25).

The Bank loan will assist in financing EAHC's development programme for 1969-72, which will cost the equivalent of $58.3 million. The programme includes the construction and equipping of two general cargo berths at each port, capable of handling container traffic as it develops; a wharf for the handling of bulk grain and cement traffic at Mombasa with grain silos and appropriate mechanical handling equipment; the completion of three general cargo berths at Dar-es-Salaam now under construction with the assistance of an earlier Bank loan, providing them with sheds and equipment; and a new offshore tanker mooring and submarine pipeline at Dar-es-Salaam. At both ports existing berths and stacking areas will be renovated and re-equipped and other improvements will be undertaken.

The Bank loan will cover the foreign exchange requirements of the port development programme, including interest on the loan during construction. The remaining costs will be met by EAHC out of cash generation from operations.

Although the loan is the fourth made by the Bank for the development of Common Services in East Africa, it is the first since the East African Community was established in December 1967. Until recently the East African ports were administered jointly with the railways in Kenya, Tanzania and Uganda by the East African Railways and Harbours Administration for which the Bank made loans totalling $62 million in 1955 and 1965. In accordance with the Treaty for East African Co-operation which established the Community, the East African Harbours Corporation assumed responsibility for operating the seaports on 1 June 1969. At the same time the operation of the railways was taken over by the new East African Railways Corporation.
(IBRD Press Release, Washington, 26/8/69)

Kenya - IBRD : The World Bank has approved a $23.5 million highway loan to Kenya. This brings to $49.5 million the financial support extended since 1960 by the Bank and its affiliate, the International Development Association (IDA), to Kenya's long-range road expansion and improvement programme.

The new Bank loan will be for 25 years, including 10 years of grace, and will bear interest of 7 per cent per annum. It will cover the bulk of the foreign exchange requirements of a $36.3 million project, which is a high-priority segment of the country's highway programme for 1969-1974 totalling about $90 million. An additional $800,000 will be made available through the reallocation of the balance of a 1967 IDA credit for agricultural roads.

The project as a whole represents an extension of earlier Bank-IDA road financing in Kenya and will result in major benefits to agriculture and tourism. Included are the reconstruction of 18 sections of feeder roads totalling 288 miles, and of 5 sections of trunk roads totalling 85 miles; the construction of 268 miles of roads in a sugar growing district; the improvement of 366 miles of farm-access roads in settlement areas; engineering services; and a study to strengthen the organization of the Ministry of Works.

Of the 18 feeder roads marked for reconstruction, 15 are in the fertile area between Nairobi, Mount Kenya and Lake Victoria, and are of great importance for further agricultural development. Engineering for most of these roads was carried out under an earlier IDA credit.

The five sections of trunk roads link some of the country's key production and market centres. Heavy traffic in recent years has caused deterioration of these roads, and reconstruction has been judged more economic than patchwork and continued costly maintenance.

A component of the project represents the second and final phase of road development for Kenya's sugar cane scheme, east of Kisumu. The first phase is currently under way with financing from an earlier IDA credit. These new roads will permit the addition of another 18,700 acres to the area already under sugar cultivation, and thus enable the three existing factories to reach their planned capacity of 6,000 tons of cane per day. This increase in production will be for domestic consumption.

When large European farm holdings were converted between 1962 and 1966 into 10 to 70-acre plots and offered to indigenous farmers, an adequate road network was planned to serve the new settlements. Lack of finance prevented much of it from being built, and most of the roads that were built have deteriorated to the point of being impassable in wet weather. These roads will now be reconditioned to permit year-round marketing of perishables, particularly milk.

(IBRD, Press Release, Washington, 24/9/69)

<u>Kenya - IBRD</u> : The World Bank has approved a loan equivalent to $2.6 million to Kenya for a forest planting project which will make the country self-sufficient in basic wood products and produce surpluses for export. It will also contribute to the Government's policy of economic diversification.

For many years Kenya has been carrying out a reafforestation programme using fast-growing trees. By 1968 nearly 200,000 acres of cypress and pine and about 20,000 of eucalyptus had been planted. These plantations have recently begun to yield substantial quantities of timber.

The project being assisted by the Bank loan will continue this programme. It comprises the planting of about 48,000 acres of cypress and pine for saw-wood and 23,000 acres of pine for pulpwood, and the maintenance of 7,300 acres of pulpwood already planted. Plantings will take place over a six-year period. Also included is a market study of the prospective demand for Kenyan saw-wood and pulpwood at home and abroad, on the basis of which future planting programmes will be prepared.

After 30 years, when the first timber is expected to be felled on the saw-wood plantations, about half the output will be absorbed domestically and the other half exported. The pulpwood plantations will produce raw material for a pulp and paper mill which is planned at Broderick Falls near the plantations. Output of the proposed paper mill will be largely in accordance with projected domestic demand.

Indirect benefits will include the promotion of secondary industries such as logging and sawmills, and plywood and furniture factories. These will generate additional employment and income. The project itself will employ some 1,500 resident workers, and result in substantial foreign exchange savings or earnings arising from sales of sawn timber and of paper manufactured from pulpwood.

The project will be carried out by the Forest Department of Kenya's Ministry of Natural Resources which has been in charge of the Government's forest planting programme since 1945. The total cost of the project is estimated at the equivalent of $4 million. The Bank loan will cover 65 per cent of the cost and the Government will finance the remainder.

The Bank loan will be for a term of 25 years, including 10 years of grace, and will bear interest of 7 per cent.

The project was prepared with the assistance of the Food and Agriculture Organization of the United Nations under the Bank/FAO Co-operative Programme.
(IBRD Press Release, Washington, 29/10/69)

<u>Morocco - IBRD</u> : Morocco has just been granted a loan of $7.3 million by the IBRD (International Bank for Reconstruction and Development), supplemented by a similar amount from the latter's subsidiary, the IDA (International Development Agency).

The following details have been made public; the IBRD loan is repayable over 20 years (with four years deferment) at 7 per cent interest, whilst the IDA loan, also of $7.3 million, is for a term of fifty years, with ten years' deferment. The latter carries no interest but a commission of 0.75 per cent per annum will be charged. The two loans will help to finance a three-year programme, costing a total of $21 200 000 and concerned with the following: reinforcement, re-building and improvements to 336 km of main highways; construction of four new main road bridges; building of a new road, 172 km in length, connecting Agadir with Marrakech and traversing an area offering excellent prospects for the tourist trade; the purchase of spare parts and materials for maintenance; and finally, a technical study of the transport system in the coastal area.

The aim of this project is to ensure that Moroccan economic development, especially in the agriculture and tourism sectors, is not impeded by the deterioration of its vast network of primary and secondary roads or by increases in transport costs.
(Marchés tropicaux, Paris, 18/10/69)

Morocco - IBRD : The World Bank has made a loan equivalent to $46 million to Morocco for the integrated development of irrigation and improved dry farming on 222,000 acres in the Rharb Plain. This will be the first stage of a plan to develop the Rharb with a total area of about 500,000 acres; it lies in the Sebou Basin, which contains some of Morocco's most important under-utilized land and water resources. The project will make possible in about 20 years a five-fold increase in the net value of agricultural production in the area and thus raise the farm income of about 90,000 inhabitants. It will also provide for all of Morocco an example of integrated land development in both irrigated and rain-fed areas, applying modern agricultural practices and new land tenure policies.

The loan to the Kingdom of Morocco is for a term of 30 years, including a 9-year grace period, and bears interest at 7 per cent per annum.

Two-thirds of Morocco's population are engaged in agriculture and traditional subsistence farming occupies more than four-fifths of the cultivated area. In view of the importance of agriculture to the economy and the imperative need for Morocco to increase agricultural productivity in order to support its rapidly growing population, almost a third of the total planned capital investment under the Government's Five Year Plan for 1968-72 will be devoted to agriculture. The development of the Rharb Plain will be the largest single investment. Plans for the development of the Rharb and the Sebou Basin as a whole have been set forth in studies financed by the United Nations Development Programme for which the Food and Agriculture Organization of the United Nations was executing agency.

The Rharb irrigation project is the first to be undertaken under Morocco's new Agricultural Investment Code. The Code, which is a landmark in the reform of Morocco's agrarian structure, sets forth policies and procedures for the development of irrigated areas and land redistribution. In the Rharb area, the redistribution could result in an increase in the size of the typical farm from about 9 to 12 acres, including the distribution of about 12 acres to some 2,300 farm families who are now landless. In all, about 11,500 farm families in the area will benefit from the land redistribution.

The project being assisted by the Bank loan includes the construction of the Idriss I Dam upstream at Arabat on the Inacuene River with a storage capacity of 1.2 million acre feet; land preparation and the construction and improvement of irrigation and drainage systems serving an area of 106,000 acres; improved rain-fed farming on 67,000 acres; roads and processing plants.

The chief crops to be grown in the project area will be citrus, sugar-cane, sugar beet and forage. The output of these crops is expected to rise from 142,000 to 1.8 million tons annually at full production. They will account for 75 per cent of the projected gross value of production in the area. The citrus fruit will be exported; the sugar will reduce Morocco's heavy imports of that commodity; and the forage, together with by-products and residues from other crops, will support about 14,000 cattle which will be raised to help meet the demand for meat and milk in the project area.

The project will also result in substantial indirect benefits which include the earnings from increased crop processing, transport and marketing of agricultural products, as well as the stimulation of Moroccan production of agricultural inputs, such as farm machinery, improved seeds and fertilizers. Furthermore, the development of the Rharb will provide additional employment for rural laborers in their home areas and thus offset to some extent the pressure on them to move to cities.

The total estimated cost will be \$109.5 million. The Bank loan of \$46 million will cover the foreign exchange costs and the remaining financial requirements will be met by the Moroccan Government. The Government will recover its capital investment, as well as operating and maintenance costs during the 40 year life of the project, through water charges and betterment levies to be paid by farmers benefiting from the project. The Regional Agricultural Development Office of the Ministry of Agriculture and Agrarian Reform will be responsible for execution of the project and will be assisted by consultants. The contract for the construction of the Idriss I Dam has already been awarded after international competitive bidding; contracts for other works and materials will be let on the same basis.

(Le Monde, Paris, 17/11/69)
(IBRD Press Release, 13/11/69)

Nigeria - IBRD : The reconstruction of 204 mile sections of two Nigeria's most important trunk highways, together with preparatory work for other road projects, will be undertaken with the assistance of a loan equivalent to \$10.6 million from the World Bank.

The loan will be made to the Federal Republic of Nigeria for a term of 15 years, including 3 years of grace, and will bear interest of 7 per cent per annum.

Road transport is of ever increasing importance in Nigeria. Imports have to be distributed in relatively small loads to a large and widely dispersed population. Most of the exported goods have to be moved from thousands of small farms to official buying stations or to processing mills; then they are sent in growing proportions by road to the port of Lagos. The World Bank Group has been closely associated with the development of Nigeria's transport sector for many years; its financing has totalled \$88.5 million, of which more than half was for highway projects in various parts of the country. In addition, the Bank is executing agency for a road survey in the northern states being financed by the United Nations Development Programme.

The project now being undertaken with Bank assistance consists of the rehabilitation of a 175 mile road from Lagos via Ibadan to Ilorin and a 29 mile road from Lagos to Ewekoro; the detailed engineering of a new road from Lagos to Ibadan, and a feasibility study of an improved road connexion north from Ibadan to the Niger border at Daura, including a crossing of the Niger River.

Both road sections to be rehabilitated form parts of arterial routes originating in Lagos, the Federal capital and main port. The Lagos-Ilorin road is a section of the main route to Kano in the north. It not only provides a means for the evacuation of agricultural exports from the north, but links the country's largest urban centres. The increased traffic of recent years, inadequate maintenance and an unusually heavy rainy season last year, have resulted in almost complete disintegration of some sections. The Lagos-Ewekero road, also in poor condition, links with the coastal road connecting Nigeria with Dahomey, Togo and Ghana and serves as an alternative route, through a heavily populated area, to Ibadan. The restoration of the capacity of these roads is urgent to expedite the flow of passenger and freight traffic and to reduce transport costs. Even at full capacity the Lagos-Kano road is becoming inadequate for the growing traffic. The engineering work to be undertaken will pave the way for the construction of a new road to modern standards at a later date.

The Federal Ministry of Works, with the help of consultants, will be responsible for the execution of the project which will cost the equivalent of US$ 14.3 million. The Bank loan will cover foreign exchange requirements and the remaining costs will be met by the Government.

(Marchés tropicaux, Paris, 18/10/69)
(IBRD Press Release, Washington, 8/10/69)

Tunisia - IBRD : The World Bank has approved a loan equivalent to $10 million to Société Nationale d'Investissement (SNI), a development finance company in Tunisia. The loan will provide nearly half the funds SNI expects to need during the next 18 months for loans and investments in tourist and industrial enterprises in Tunisia.

This will be the Bank's third loan to SNI, bringing the total lent to $25 million. In addition the Bank's affiliate, the International Finance Corporation (IFC), invested the equivalent of $570,000 in SNI's share capital in 1966.

SNI is the principal source of long-term loan and equity finance for private industrial and tourism enterprises in Tunisia. During the three years 1966-68, it assisted over 100 different companies with 34 equity investments and 93 loans totalling the equivalent of $18 million, often involving extensive marketing and financial counseling. When completed, the projects financed will account for more than half the amount of all private investment in manufacturing and tourism in Tunisia during 1966-68. They will lead to substantial savings or earnings of foreign exchange and will provide new employment for nearly 4,000.

SNI's operations expanded significantly in 1967 and 1968 when total loans and investments amounted to the equivalent of $14.4 million. Much of the increase was due to the booming tourist sector which accounted for 42 per cent of SNI's total commitments, mainly for hotels. Recently SNI joined with IFC and other Tunisian and foreign investors in promoting the establishments of COFITOUR, a new investment company specializing in equity investments in and loans to hotel enterprises; SNI is the largest Tunisian institutional shareholder in COFITOUR.

SNI plans to expand further its financing activities and in 1969 its directors authorized the financing of public enterprises up to a limit of 25 per cent of its portfolio. However, SNI will continue to direct the major thrust of its activities to the private sector.

SNI now has a sizable backlog of projects, and in the 1½ year period beginning in December 1969, it plans to commit the equivalent of about $20 million, of which about $6 million will be for local currency expenditures. The Bank loan will provide $10 million of the total required; a Swedish Government loan of $5 million is under consideration; and SNI will provide the remainder from earnings and local borrowing.

The loan to SNI will be guaranteed by the Republic of Tunisia. It will bear interest of 7 per cent per annum. The initial amortization schedule, providing for repayment over 15 years, will be modified as necessary to reflect the repayments to SNI of loans made out of the proceeds of the Bank loan.

(IBRD Press Release, Washington, 26/11/69)
(Marchés tropicaux, Paris, 6/12/69)

United Arab Republic - IBRD : At the beginning of August, the International Bank for Reconstruction and Development (IBRD) granted a loan of $36 million to the UAR to help finance a project for the construction of covered drainage works. The aim of this project is to provide a network of drainage conduits for the evacuation of brackish waters to protect the fertility of the soil; seepage of these waters from existing open drainage works will be prevented.

The IBRD has already appointed a number of economic and technical missions to make a study of this project; they concluded that the latter was one of the best-conceived of the UAR's technical projects and had vital economic importance for the country. This project is the first in which the Bank has participated since 1959, when it contributed to the widening of the Suez Canal.

The loan concerned is free of interest and is repayable over fifty years, with a deferment period of ten years.

(Marchés tropicaux, Paris, 9/8/69)

Zambia - IBRD : An education project designed to help meet Zambia's critical need for more engineers and secondary school teachers will be carried out with the assistance of $5.3 million loan from the World Bank. The funds will be used for new buildings and additional equipment for the Schools of Education and of Engineering at the University of Zambia and the provision of student hostels to accommodate part of the steadily increasing enrolment.

The loan will be made to the Republic of Zambia for a term of 25 years, including a 10 year period of grace, with interest at 7 per cent.

The project being assisted by the Bank loan will enable the School of Engineering and the School of Education to reach their 1973 enrolment targets. The School of Engineering, with about 360 students in 1973, will produce 80 engineers annually. The School of Education, with a full-time student equivalent enrolment of 670 by 1973, will train secondary school teachers and primary and secondary school principals.

At the School of Engineering funds will be used to finance the addition of two lecture rooms, 10 laboratories, 8 seminar rooms and 33 staff offices. The Government plans to revise the curricula and detailed syllabi of the School of Engineering within the next year in order to relate them more directly to the industrial aspects of engineering. The School of Education will be provided with a lecture theatre, a language laboratory, an educational television studio, 10 special teaching spaces, 6 seminar rooms and 30 staff offices.

The majority of students at the University require residential accommodation because only a small proportion come from Lusaka where the University is situated, and suitable accommodation in the city is very scarce. The project, therefore, also includes the construction and furnishing of hostels to accommodate 960 additional students and staff.

The United Nations Educational, Scientific and Cultural Organization (UNESCO) assisted the Government of Zambia in the preparation of the project.

The Government will establish within the University a Project Unit responsible for carrying out the project and will employ architects to undertake the necessary architectural and engineering services. The total cost is estimated at the equivalent of $7.4 million. The Bank loan of $5.3 million will finance the estimated foreign exchange component and the Government will finance the local currency requirements.

Mali - IMF : The International Monetary Fund has approved a stand-by arrangement for the Government of Mali authorizing purchases of foreign exchange up to the equivalent of $3 million over the next 12 months. The arrangement is in support of the Governments stabilization programme aimed at achieving a satisfactory rate of growth while maintaining the convertibility of the Mali franc.

Mali faces financial and structural problems connected with its land-locked position, for years the country has experienced deficits in the government budget and balance of payments. Stabilization policies pursued since 1967 have narrowed the gap through unproved tax collection and more controlled public spending. Other efforts are being carried to increase credit restraint and improve the performance of State enterprise. The various measures taken should contribute to the strengthening of the country's long-term financial position, but in the meantime the stand-by arrangement will provide additional reserves available to the national authorities to finance temporary payments difficulties.

(International Financial News Survey, Washington, 24/10/69)

Cameroon - UNDP : Two plans of operations, one for the creation in Cameroon of a federal centre for the development of co-operative enterprises and the other for a training school for wild-life specialists, were signed on 12 November at Yaoundé by Cameroon and the United Nations Development Programme (UNDP).

The UNDP's contribution to these projects will be $1 926 800 and that of Cameroon, $2 108 100.

The UNDP Resident Representative emphasized that the creation of a federal centre for the development of co-operative enterprises, to be carried out by the ILO, would constitute the largest project for the promotion of co-operative enterprises ever undertaken by the United Nations in Africa, in terms of finance, manpower and resources employed.

The school for wild-life specialists, to be installed at Garoua, in Northern Cameroon, is intended for the French-speaking African countries and will be the equivalent of that at Nweka in Tanzania, which serves the English-speaking countries. France will contribute 30 million CFA frs. for building works and the German Federal Republic 24 million, supplying two experts and equipment.

German and American private foundations will also participate in the project, to an extent not yet determined.

(Marchés tropicaux, Paris, 15/11/69)

Ghana - UNDP : The United Nations Development Programme (UNDP) recently granted a loan of $361 000 to Ghana, to help that country to execute a programme of commercial cotton production. The Ghanaian Government will contribute $394 000 to the programme, which will be carried out by the FAO.

(Marchés tropicaux, Paris, 16/8/69)

Madagascar - UNDP : A German agricultural engineering company has concluded with the FAO a contract amounting to more than $1 million concerned with an agricultural development project in the Monrondava Plain; the project is also intended to improve the island's population distribution.

The Essen company, Agrar-Und-Hydrotechnik, will carry out a survey of natural resources in the thinly-populated Morondava Basin, an area of 490 000 hectares on the west coast of Madagascar; the survey will concentrate, particularly, on the plain itself, an area of 125 000 ha.

The agricultural development study is to be carried out by FAO. Its cost will be $1.5 million, of which half will be contributed by UNDP and half by the Malagasy Government.

The work will continue for two and a half years; it will make it possible to estimate potential land and water resources in the Morondava Plain and to determine, from the point of view of both convenience and of economics, the best types of cultivation within an overall regional plan of integrated development. A study will be made for a pilot project covering 20 000 ha.

The Morondava Plain has only 28 000 inhabitants and the Government hopes to repopulate it with farmers from the central plateau and the east coast, areas having a population density five times as great. The plain is believed to offer a considerable potential for development; it requires irrigation works, the extension of existing cultivation and the use of improved varieties of high-yield cereal species. Work by the Agrar-Und-Hydrotechnik company will include cartographic, topographic, climatic, geological and pedological surveys and will also concern erosion, hydraulic resources, hydro-electric potential, possible types of dams, rural sociology and land tenure, marketing, production and regional economy.

The Malagasy Government is at present finalizing its second five-year plan; emphasis is given to regional development, especially in areas of low population density such as the Morondava Plain. The second plan will begin in 1973; its object is to expand rice and cotton production in order to reduce imports of these products and at the same time to improve the standard of living. The Government also hopes that the UNDP-FAO project, relating to the Morondava Plain, will help to improve cattle-breeding throughout the country.

(Marchés tropicaux, Paris, 13/9/69)

Nigeria - UNDP : The United Nations Development Programme (UNDP) recently granted a loan of $294 500 to Nigeria under the heading of supplementary aid for a project of training and practical instruction in the leather and hide trades. The Nigerian Government is contributing $400 000 to this project, which is being carried out by FAO.

(Marchés tropicaux, Paris, 6/9/69)

Senegal - UNDP : A plan concerned with participation by the World Food Programme in a Senegalese technical training and rural vocational education project was signed at Dakar on 18 October.

The object of the Senegalese project is to improve teaching in technical and vocational training establishments by improvements to the installations, the provision of additional equipment and an increase in the number of pupils and of diplomas. Aid from the World Food Programme has been granted for a period of three years, as a contribution to the upkeep of both boarding and day-boarding pupils attending the institutions concerned.

The WFP grant to Senegal for this project will amount to $543 000.
(Marchés tropicaux, Paris, 25/10/69)

United Arab Republic - UNDP : The United Nations Development Programme's Special Fund has announced its support for two Egyptian projects considered by the Fund to be of vital importance for the development of the economy. The largest of these involved the activities of a technical training and research institute for telecommunications in Cairo. The project, which will cost an estimated total of $3.6 million (of which the governing council of the Special Fund will contribute $0.95 million), will be carried out under the supervision of the International Telecommunications Union. The purpose of the project is to assist the UAR Government in developing training programmes for all classes of telecommunications personnel being trained at the UAR Telecommunication Organization (approximately 2,000 trainees annually).

The other project, to cost some $1.5 million, slightly half of which is to be financed by the Special Fund, aims at developing the existing Textile Support Fund's laboratories in Alexandria into a textile quality control centre. UNIDO will be the participating and executing agency for this scheme which is estimated to require four years to complete. Textile manufactures of all kinds account for some 10 per cent of GDP, and the textile industry, being the largest in Egypt, employs 25,000 workers or 30 per cent of the industrial labour force. The government is planning to expand this industry, which consumes about a third of the cotton crop plus smaller but growing quantities of linen, rayon, silk and wool. Exports of yarn and fabrics constitute one of the most important sources of foreign exchange. The cotton support fund was started in 1953 to assist exports of manufactured cotton partly through a levy imposed on local processing. It has since developed into an institution within the Ministry of Industry to carry out marketing, standards, quality control and technical research activities in the cotton textile industry and since 1967 the rest of the textile industry as well. It is hoped that the expanded centre will extend the high quality of marketing and research in cotton textiles to the whole of the fast-growing industry.
(Quarterly Economic Review, London, No.3, 1969)

United Arab Republic - UNDP : Two plans of operations have just been signed by the United Arab Republic on the one hand and UNDP and FAO on the other, for the realization of the following projects:

(1) Stock-breeding research and training;

(2) Improvement of productivity in the Giza region.

The stock-breeding and training project will be situated at Sakha and will be carried out over a three-year period; the best methods of animal feeding and rearing in general will be studied. The UNDP will contribute $992 000 to this project and the Egyptian Government, $262 000.

The second project, concerning the improvement of agricultural productivity in the Giza area, is to be completed in one year by the Central Research Commission of the Egyptian Ministry of Agriculture, assisted by a team of international technicians. The contributions by the UNDP and the UAR Government in this case will be $274 400 and $70 000 respectively.
(Marchés tropicaux, Paris, 30/8/69)

United Arab Republic - UNDP : Substantial high-grade tin deposits have recently been discovered in the Aswan area and experts from the UNDP are at present evaluating their viability for commercial exploitation.

These deposits, located in the Moweilha and Wadi el Ginal zones, are of great potential interest for the Egyptian economy since tin has numerous industrial applications.

In addition to tin, the Aswan region is thought to possess quantities of equally valuable minerals such as nionium, molybdenum, tungsten, lead, iron ore, antimony, titanium and perhaps even uranium. Geological samples have been taken for evaluation.

Work at present under way in the area is being financed to the extent of $1 788 000 by the UAR and $1 795 800 by the UNDP; the executive agency is the United Nations.
(Marchés tropicaux, Paris, 4/10/69)

Zambia - UNDP : The United Nations Development Programme has recently granted a sum of $608 400 to Zambia, to aid the development of small industries. The Zambian Government is contributing $294 000 to this project, which will be carried out by the United Nations Industrial Development Organization (UNIDO).
(Marchés tropicaux, Paris, 16/8/69)

Mali - UNDP : A plan of operations for a project aided by the International Labour Organisation for Malian State and private enterprises was signed on 6 September at Bamako by representatives of the Malian Government and the ILO.

The principal aim of this project is the modernization and reorganization of both State and private enterprises and, in particular, the provision of advanced training for medium and managerial executive grades, skilled workers and technicians.

Under this project, teams of international experts in various modern organizational and business management techniques (finance, accountancy, commerce, administration and personnel management) will be set up.

The project will take three years to complete; to finance it the United Nations Special Fund and the Malian Government will contribute $771 000 and about $240 000 respectively.

(Marchés tropicaux, Paris, 13/9/69)

United Arab Republic - WFP : Under the terms of an agreement concluded earlier this summer between the UAR and the World Food Programme (WFP), the latter will supply food products to a value of $45 million to the UAR between 1970 and 1974. The products supplied will be as follows: flour, 167 506 tons; oil, 12 563 tons; powdered skimmed milk, 12 563 tons; cheese, 4 188 tons; tinned fish, 8 375 tons; tinned meat, 1 665 tons; sugar, 8 375 tons. All these products will be distributed in the form of meals to workers, especially to those employed on irrigation works and land improvement or reclamation schemes in the desert regions of Middle Egypt, the Delta and Upper Egypt. It is thought that more than 500 000 workers and almost 170 000 families will benefit by this aid, which will mean an improved diet and better organized living conditions. It may be noted that this free provision of foodstuffs will absolve the Egyptian Government from the necessity of paying its share (estimated at £E 8.3 million, or $19.1 million) for the upkeep of newly resettled families. The amount saved (£E 16.8 million, or $38.2 million) will be invested in complementary projects relating to areas affected by the Government's land development programme and concerned with the following: housing, co-operatives, livestock hygiene, organization of markets for agricultural produce, administrative and vocational training, re-settlement of families and the installation of canteens.

The grant referred to is the fourth of its kind; it brings the total of aid of this type granted to Egypt by the World Food Programme to $73 million.

(Marchés tropicaux, Paris, 30/8/69)

B. GOVERNMENTS AND GOVERNMENT AGENCIES

Sudan - Bulgaria : The Bulgarian Government has offered the Sudan a stand-by credit of from £6 to £10 million at an interest rate of 2.5 per cent, repayable over eight years. A Bulgarian delegation is expected in Khartoum during the third week of October to finalize details of the loan agreement. Preliminary discussions on this subject were entered into by the Sudanese Minister of Co-operation and Rural Development during his recent visit to Sofia. The Minister disclosed that on his way back from Bulgaria he visited Cairo, where he held similar discussions with the Egyptian authorities. He noted that the UAR was prepared to undertake the sinking of a number of wells and also to offer scholarships for study at the Egyptian Co-operative Institute, to aid the inauguration of housewives' co-operative societies in the Sudan.
(Marchés tropicaux, Paris, 11/10/69)

Cameroon - Canada : A finance agreement for a sum of $500 000, relating to a water-supply project for Kumba, in Western Cameroon, was signed at Yaoundé on 6 September. The Canadian grant represents about 84 per cent of the total cost, the remainder being contributed by Cameroon.

This project will considerably improve both sanitary and general living conditions in the Kumba area.

In March 1968, Canada signed a financial convention with Cameroon for the construction, at present in progress, of a bridge at Akanolinga, a bilingual secondary school at Bonaberi (suburb of Douala) and for an airborne geophysical survey of part of the national territory. The agreement signed this morning brings the total sum available to finance these projects to 1 130 million CFA frs.; Canada will also participate, in the near future, in projects for a public health institute and a physical re-education centre.

In addition, 70 Canadian teachers will begin work in Cameroon at the commencement of the next school term and finally, also within the context of co-operation between the two countries, several Canadian doctors are at present practising medicine at Bamenda in Western Cameroon.
(Marchés tropicaux, Paris, 13/9/69)

Niger - Canada : Representatives of Canada and Niger have signed an outline agreement for technical co-operation between the two countries and also three special conventions providing financial assistance totalling $2 345 000 to the Government of Niger.

These conventions concern:

(1) Establishment of vegetation protection services ($530 000);

(2) Execution of an airborne geophysical prospection project and a photo-geological survey in the Liptzko region, over an area of 82 400 km2 ($1.2 million);

(3) Enlargement and improvements to the Lycée Marianna at Niamey ($615 000).

The Canadian Government has also undertaken to assign advisors to the Niger and to provide aid in the form of foodstuffs and pharmaceutical products.

(Marchés tropicaux, Paris, 27/9/69)

Tunisia - Canada : Under the terms of a convention signed on 23 August in Tunis, Canada will grant a loan of $Can. 1 100 000 to Tunisia; this loan is made within the framework of the aid agreement concluded between the two countries in March 1968 and will be used to finance the Cape Bon electrification project. The work will continue for 22 months and concerns the construction of a 90 kw transmission line linking Tunis-South with Korba (a distance of 50 km).

(Marchés tropicaux, Paris, 30/8/69)

Ghana - Federal Republic of Germany : The Federal Republic of Germany has granted a loan of DM 25 million to Ghana, repayable over 25 years with a deferment period of seven years and bearing interest at 2.5 per cent (instead of 3 per cent as in 1968). Of this amount, DM 10 million will be allocated to various development projects under the aegis of the National Investment Bank and the remainder to a water-supply programme on behalf of the Ghana Water and Sewerage Corporation.

(Marchés tropicaux, Paris, 18/10/69)

Togo - Federal Republic of Germany : The Kreditanstalt für Wiederaufbau has granted a supplementary loan of 288 million CFA frs. to Togo for the completion of infrastructure works at the Port of Lomé (railway track, water and electricity supply, hangars and roads).

This amount brings the total aid from the Federal Republic of Germany for the realization of this project to 5 785 million CFA frs.; the entire sum bears interest at 2 per cent.

At the same time, the Togolese Government has released a sum of 75 million frs. being its own contribution to the completion of the work concerned.

In addition, the German bank's experts have issued a favourable report on the subject of a possible loan of 150 million CFA frs. for the purchase of rolling stock for the Togolese railways.

(Marchés tropicaux, Paris, 22/11/69)

Cameroon - France : A financial convention concerning a grant of 140.9 million CFA frs. from the French Aid and Co-operation Fund (ACF) was signed on 24 October at Yaoundé.

More than one-third of these funds - 54.4 million - will be allocated to studies and experiments by the Institute of Tropical Agronomic Research with the aim of preparing a rice cultivation development programme for the Logono Valley (in Northern Cameroon, on the Chad frontier).

Thirty million will be used to continue an agricultural development experiment already in progress for two years in the N'Dop Plain (North-West Cameroon) for which the Agricultural Production Development Bureau is responsible; the project especially concerns the development of small-scale fowl-rearing and pig-breeding.

A further 33.5 million will be used to continue a project for the creation of small-scale industries managed by Cameroonian nationals, begun in 1968 by the Technical Aid and Co-operation Society (SATEC).

Finally, the ACF will grant 23 million, under the heading of the Cameroonian General Road Maintenance Programme, for the improvement and equipment of a workshop siding for repairs to civil engineering equipment at Bamenda (Western Cameroon) and its two annexes at Bertoua and Ngaoundéré (Central and North-East Cameroon).

(Marchés tropicaux, Paris, 1/11/69)

Central African Republic - France : On 14 October, the President of the Central African Republic and the High Representative of France at Bangui signed five conventions relating to grants from the Aid and Co-operation Fund (ACF) totalling 687.5 million CFA frs. These agreements concern 15 different operations in the fields of rural development, education and health.

Economic and agricultural development

Under this heading, the Republic will receive various subsidies from France for the execution of the following projects:

81 million for the five-year programme to provide qualified personnel and stimulate rural activity in the Upper Sangha area, for which the Agricultural Production Development Bureau is responsible;

37 million to contribute to a five-year campaign to eradicate contagious pleuro-pneumonia in cattle; 100 000 head of zebu in the Bouar region in the country's North-West are affected;

28.75 million to establish a pilot livestock-breeding zone in the Upper Sangha area and 3.5 million to train or provide refresher courses to agricultural personnel.

It should also be noted that ACF is contributing 80 million for a cotton cultivation development project undertaken by the French Textile Fibres Development Co., and more than 57 million for the continuation, for a further two years, of a cotton cultivation programme in the Louham district in the north of the country.

Other subsidies concern the development of coffee cultivation in Lobaye (17 million) and the supply of vehicles and road materials.

Infrastructure operations

Under this heading, the following operations are provided for:

70 million for repairs, including bridge construction works, to the Bangassou-M'Boki road in Eastern Cameroon;

50 million for a study of improvement works to the Bambari-Bakouma road (a centre is at present being established at Bakouma by the Atomic Energy Commission to exploit uranium deposits in the area);

40 million to cover supplementary expenditure relating to the building of an international airport at Bangui M'Poko.

Education, training and health

In the training and education field, France will contribute 22.5 million for textbooks and school requisites and provide vehicles for teams of mobile educational advisers.

In addition, 55 million will be allocated to the building of a technical college for women at Bangui. Finally, the ACF will supply vehicles and medicines to a value of more than 15 million for action against major endemic diseases.

(Marchés tropicaux, Paris, 18/10/69)

Congo (Brazzaville) - France : Three finance conventions between Congo (Brazzaville) and France were signed on 22 November at Brazzaville. These conventions, for a total of 123 710 000 CFA frs., concern in particular:

The continuation and completion of a study for a national economic and social development plan;

Development of the market-gardening industry at Pointe-Noire;

Continuation and completion of the development programme for the Mossendjo region.

(Marchés tropicaux, Paris, 6/12/69)

Dahomey - France : Two important conventions concerning rural development and education were signed on 14 November at Cotonou.

(1) The first convention, for a total of more than 388 million CFA frs., relates to the continuation of regional agricultural development operations during the 1969/70 agricultural season.

308 million will be allocated to integrated rural development in Zou and Borghou.

The remainder (79 million) will be allocated to the development of cotton cultivation in the three southern provinces.

These three projects will ensure the continuation, during the coming season, of operations carried on for several years within the framework of technical co-operation between France and Dahomey.

The increase in cotton production, from 2 875 tons in 1960 to more than 23 000 tons in 1968, has been one of the most spectacular results of this aid, exceeding the most optimistic forecasts.

(2) The second convention, for the sum of 15 million, relates to the supply of 28 180 school textbooks, besides scientific and audio-visual equipment for pupils and students.

(Marchés tropicaux, Paris, 22/11/69)

Mali - France : A new convention relating to a grant of 688 300 000 MF from the Franco-Malian Aid and Co-operation Fund (FAC) was signed at Bamako on 2 August.

The convention provides for the continuation of groundnut cultivation development operations - the so-called "Operation Groundnut" - for the 1969-1970 and 1970-1971 seasons. It includes, in particular, the extension of cultivations in certain areas and the inclusion in the scheme of a new zone of action covering 20 000 ha.

Under this convention, the FAC also undertakes to provide supplementary qualified personnel and new materials and equipment.

(Marchés tropicaux, Paris, 9/8/69)

Mali - France : A new convention relating to a grant of 208.6 million MF from the Franco-Malian Aid and Co-operation Fund was signed at Bamako on 17 October.

The new convention, the third this year, follows those of 2 August, of which details are given above, and of 21 March; the latter concerns three projects: development and modernization of cotton cultivation, analytical study of the structure and operation of the Malian Energy Authority (Energie du Mali) and modernization of the Radio-Mali installations, representing a total of 534 million MF.

The new convention brings the total of FAC aid for the year 1969 to 1 430 million MF. It relates to the following five projects:

(1) Establishment of an operational base for agronomic research in the groundnut production development zone: 7 million;

(2) Continuation and completion of the operation to popularize the use of equipment for draught in animal cultivation: 31 million;

(3) Study for the establishment of a livestock-fattening ranch in the Niono region: 20 million;

(4) Public health aid programme (first phase, 1969) including, for a total of 100 million, the following operations (estimated figures are given for fund apportionment):

(a) Supply of medicines and materials for hospital units: 53.1 million;

(b) Supply of vehicles, vaccines and various materials for a BCG (Calmette-Guerin bacillus) vaccination campaign in the Kayes region: 23.5 million;

(c) Supply of a cold-storage unit to the Endemic Diseases Service, for conservation of vaccines: 3.85 million;

(d) Supply of an anaesthesia apparatus and a generator for radiography to the Point G Hospital at Bamako: 3.8 million;

(e) Installation of a mortuary refrigeration unit and renovation works to the Point G Hospital mortuary: 4.7 million;

(f) Renovation of the surgical wing, also at the Point G Hospital: 11 million;

(5) Complementary studies and investigations for the reorganization of State enterprises: 50 million.

Over ten years, French aid in the form of subsidies for materials and equipment alone has exceeded 10 000 million MF.
(Marchés tropicaux, Paris, 25/10/69)

Niger - France : Two new co-operation conventions between France and the Niger were signed on 18 September at Niamey.

The first, a loan of 75 million CFA frs., will allow the Republic of Niger to complete its contribution to the increase in capitalization of the Niger Livestock Resources Exploitation Corporation (Société nigérienne des ressources animales), which was set up to promote commercialization of meat products.

The second, a subsidy of 629 450 000 CFA frs., provides for financial aid amounting to 586 950 000 CFA frs.; the balance will take the form of medicines and materials for the Ministry of Health.
(Marchés tropicaux, Paris, 27/9/69)

Togo - France : France has granted further financial aid to Togo; the sum involved is 759.5 million CFA frs. According to General Eyadema, this aid concerns, in particular:

- surfacing of the Sokodé-Dapango road, which will begin in 1970 (200 million CFA frs.). This project, which has been under consideration by the State Secretariat for Foreign Affairs, will be carried out in stages from 1970 onwards and will facilitate the movement of produce from the Upper Volta across Togolese territory;
- continuation of agricultural development operations in the coastal and savannah regions (200 million);
- protection of Togolese livestock (50 million);
- administrative installations (12.5 million);
- a survey for the extension of the Lomé water-supply network and the building of a regional hospital at Sokodé (Central Togo)

The Togolese President also disclosed that France had confirmed its willingness to finance the building of a modern slaughter-house with refrigeration equipment, and of a school of midwifery at Lomé (respectively 200 million and 30 million CFA frs.).

In addition, after his interview on 16 September with leaders of the French National Federation of Employers (Conseil national du patronat), President Eyadema received the assurance that an important cement works may be built in Togo by a French private consortium.
(Marchés tropicaux, Paris, 27/9/69)

Togo - France : A convention for a sum of 106 million CFA frs., being the fourth instalment of the 1969 grant from the French Aid and Co-operation Fund, was signed on 1 October at Lomé.

This convention, which brings French non-repayable aid to Togo in 1969 to a total of 422.1 million CFA frs., is concerned with:

- research into food crops (9 million);
- study for a cocoa plantation development project (41.5 million);
- research into cocoa and coffee cultivation (43.9 million);
- research concerning the stimulation of rural activities (12.3 million).

The new convention has two objectives:

- substantially to increase Togolese cocoa production, to shield public finances from the effects of a price increase in Ghana;
- to regulate coffee exports (the latter have varied between 4 500 and 13 000 tons during the past ten seasons).

The establishment of a branch centre of the French Coffee and Cocoa Institute (IFCC) at Tové in 1967 provided the necessary scientific basis for the exploitation of the Togolese potential in coffee and cocoa cultivation.

The centre will be able to supply cocoa-tree saplings to planters from 1976 onwards; at a later stage varieties specially adapted to local conditions will be available. Until that time, Ghanaian cocoa-pods resistant to "swollen-shoot" can be obtained, for use when re-planting is necessary. In relation to coffee, advantage can be taken of technical results obtained in the Ivory Coast, since similarities exist between the respective plantation zones of the two countries.

The improvement and development of cocoa and coffee plantations pre-suppose the solution of a number of land-tenure problems, since in this respect the situation in Togo is quite complicated. Of 7 500 km2 of coffee and cocoa growing areas in Togo, roughly 57 000 ha. are devoted to coffee, 40 000 ha. to cocoa and 64 000 ha. to food crops and fallow land; i.e., altogether 150 000 ha. corresponding to nearly 20 per cent of the total available area.

In greater detail, the situation for cocoa and coffee cultivation respectively is as follows:

Cocoa

Some of the plantations are old and have a very low yield; 15 000 ha. yield only 100 kg/ha. or a total production of 1 500 tons. The remaining 25 000 ha. are of higher yield, 200 kg/ha. or a total production of 5 000 tons. The variety cultivated is mainly Amelonado, although some Trinitario is also found.

Plantations are most often haphazard in character and scattered about in the greatest disorder; density is too high and trees are too shaded. They are a prey to the capsid fly and a substantial area in the Mount Agou region is infected by "swollen-shoot".

Projected action in this field includes: identification of "swollen-shoot" infected zones; eradication of diseased plants; pedological evaluation of zones thus cleared; comprehensive inventory of plantations (those not suitable for cocoa will be converted; those found suitable will be re-planted with improved varieties, phytologically treated); improvement of conditioning; improvement of co-operatives and promotion of new and efficient units; improvement of communications (opening of tracks in plantation zones and renovation of certain principal roads).

Coffee

The commonest variety is the Niaouli, but a few plots of Arabica are to be found in the plateau areas. Plantations are badly distributed and their greatest handicap is excessive shade. The average yield of Togolese coffee plantations is 175 kg/ha. and this figure may well continue to decrease unless remedial action is taken.

The basic quota for coffee granted to Togo under the international agreement amounts to 12 000 tons; in recent years, however, exports have averaged only 10 400 tons and a margin of 1 600 tons therefore remains unused, not to mention the possibility of non-quota sales to new markets. A total production of about 15 000 tons thus appears desirable, in view of the progress of world outlets.

Means employed to improve cocoa production to this end also concern coffee, since for economic reasons their simultaneous application to both types of cultivation is desirable. The objectives, therefore, are the following: an inventory of coffee plantations, similar to that carried out in relation to cocoa-growing areas; lands at present under coffee, but more suitable for cocoa, will be reconverted to the latter, whilst those having no special suitability for coffee will be used for palm-oil cultivation; lands unsuitable for either cocoa or palm oil will be converted for other purposes (food crops, re-afforestation, or grazing); finally, where land is suitable for intensive coffee cultivation, pruning will be carried out and plantations will be improved by regulating the degree of shade and if necessary replanting with improved species.

(Marchés tropicaux, Paris, 11/10/69)

United Arab Republic - Italy : Italy is to provide credits totalling lira 12,000 million ($19.2 million) to finance 70 per cent of the value of 500,000 tons of Italian wheat and flour to be supplied to the United Arab Republic under an agreement signed on October 16. The United Arab Republic is to pay off the credit in three years.

In addition, Italy is to supply 150,000 tons of wheat and flour, valued at $8 million, free of charge. All supplies will be delivered before June 1970.

(International Financial News Survey, Washington, 21/11/69)

Sudan - Japan : The Sudanese Minister of Planning has announced that Japan has agreed to offer a loan of $11 million to his country to finance the Suki Scheme. The Minister pointed out that the terms of the Japanese loan were particularly favourable, since it is repayable over 15 years, after a deferment period of 5 years, and bears interest at only 5.5 per cent.

(Marchés tropicaux, Paris, 11/10/69)

Mozambique - Portugal, South Africa : The text of an agreement between the Portuguese and South African Governments, signed on 19 September at Lisbon, was published in the Lisbon Official Gazette on 5 November. The àgreement concerns the supply of electric power from the hydro-electric complex at present under construction at Cabora Bassa on the river Zambezi to the Electric Supply Commission of South Africa.

The agreement is for a period of 30 years and is renewable for periods to be agreed.

For 4 years after completion of the first phase of the Cabora Bassa undertaking, South Africa will advance to the operating corporation a sum equal to the annual deficit incurred by it. These advances, however, are limited to 13 million rands per annum and to an overal total of 35 million rands. Interest will be charged at a rate one-quarter per cent higher than that prevailing for government securities at the time of the advance granted.

Portugal undertakes not to supply electric power from Cabora Bassa to consumers outside Mozambique at a price lower than that paid by South Africa.

(Marchés tropicaux, Paris, 15/11/69)

Ghana - United Kingdom : During his visit to the United Kingdom, the Prime Minister of Ghana obtained a new interest-free loan of £1 million, bringing the total granted by the British Government on the same terms to Ghana to £5 million for the financial year 1969-1970. Mrs. Judith Hart, Minister of Overseas Development, indicated that her Government's aid to Ghana for the following year would amount to not less than £4 250 000. The October loan will be used primarily for the purchase of railway equipment from the United Kingdom.
(Marchés tropicaux, 15/11/69)

Mali - USSR : A protocol of agreement for a loan of 450 million MF was signed on 8 October at Bamako by the Malian Government and the Soviet Union.

This protocol concerns the cement works near Kayes, built with the co-operation of the Soviet Union. It is intended to provide funds for starting-up operations.

The loan is in convertible funds and will be used partly for working capital and partly for the purchase of spare parts; the collaboration of fifty Soviet experts is also provided for.

This is the second time the Soviet Union has granted a loan in convertible funds to Mali; the previous occasion was in 1966, when a loan of 1 831 million MF was granted to meet the cost of fuel supplies.
(Marchés tropicaux, Paris, 18/10/69)

United Arab Republic - USSR : The Soviet Union is to assist Egypt in new economic and industrial ventures to the tune of $60 million to $100 million. According to an agreement reached between the UAR Minister for Industry, Petroleum and Mining and the Chairman of the Soviet Foreign Economic Relations Committee, Russia, will share in and provide technical assistance for a number of industrial projects to be completed by the end of 1974. These power based projects, meant to utilize electricity generated by the High Dam, are: (a) a 100,000 ton a year aluminium plant (b) a phosphate processing complex capable of producing 120,000 tons of phosphates a year, in addition to 16,000 tons of phosphoric acid and 200,000 tons of triple phosphates, from a phosphate deposit discovered in the Sabaia area in Upper Egypt and estimated to cover the complex requirements for 100 years; (c) a ferro-silicon works with capacity of 20,000 tons a year to supply the iron and steel industry. The new agreement provides also for expanding technical assistance in the form of training facilities of UAR scientists and technicians in the Soviet Union.
(Quarterly Economic Review, London, No.3, 1969)

United Arab Republic - USSR : The Soviet Union is prepared to grant a loan of £E 16 million to the UAR. These funds will be allocated to oil exploration in the Siwa area; eight drillings will be undertaken at a cost of £E 8 million and equipment will be provided for eight prospection teams (£E 1 million). Under the terms of agreements concluded with the Soviet Union, the equipment supplied will remain the property of the UAR; the former also intends to supply vehicles and any necessary spare parts.
(Marchés tropicaux, Paris, 9/8/69)

Ethiopia - United States : The United States has made a loan of Eth.$25 million (US$ 10 million) to Ethiopia for the improvement and expansion of airport facilities in Addis Ababa and Asmara. The renovation project, which will begin next year and take two years to complete, will include extending the runway at Addis Ababa to accommodate giant jet aircraft, strengthening the existing runways, and installing modern landing and navigational equipment so that jet aircraft will be able to land at night.

The United States loan will cover Eth.$19.5 million in foreign currency and up to Eth.$5.5 million in local currency costs; Ethiopia will contribute the remaining Eth.$5.5 million in local currency costs. The loan is for 40 years, including 10 years of grace, with interest at 2 per cent during the grace period and 3 per cent thereafter.
(International Financial News Survey, Washington, 21/11/69)

Ghana - United States : The Export-Import Bank recently granted a loan of $10 million to VACOL; this sum will partly finance the construction of a fourth series of aluminium smelting furnaces at the Tema foundry, whose production capacity will thus be increased from 110 to 145 000 tons of aluminium yearly.
(Marchés tropicaux, Paris, 18/10/69)

Ghana - United States : The USAID has granted a loan of $1.3 million to Ghana, to help that country to finance the first phase of a fisheries development programme. The Accra Government will contribute 1 million NC to this project, which includes the purchase of forty trawlers for fishing in coastal waters and the execution of harbour surveys with a view to increasing the number of anchorages available.
(Marchés tropicaux, Paris, 8/11/69)

Tunisia - United States : A loan agreement for a sum of $5 million (about 2 625 000 dinars) granted to Tunisia by the United States was signed on 26 November in Tunis. The loan is not tied to any specific project.
(Marchés tropicaux, Paris, 6/12/69)

C. PRIVATE ORGANIZATIONS

Algeria - United Kingdom : On 30 July, a contract was signed between the National Cellulose Industries Corporation (Société nationale des industries de la cellulose) and various British firms and banks for the construction of a paper-manufacturing complex at Souk Ahras.

The new plant will manufacture tissue paper, both hard and soft; it will have a capacity of 10 000 tons per annum, capable of increase to 15 000 tons by minor modifications and to 22 500 tons by the addition of a third production line.

The overall cost of this project, including training of personnel, starting-up operations and technical assistance, will be 69 988 600 DA of which 78 per cent will be financed by British banks in the form of an export credit, repayable over ten years at 5.5 per cent interest. The output of the new plant is intended primarily for the home market, but excess production will eventually be exported.

The raw materials required consist mainly of long fibres, which will be imported, but locally-produced straw and esparto grass pulp will also be used. The plant will provide permanent employment for 250 workers; about 100 others will be employed on a temporary basis and 200 indirectly.

The project will take two years to complete, but it should be noted that the finishing workshop will be ready six months earlier, so that during this period semi-finished imported products can be processed.

The contract also provides for the training abroad of 43 Algerian technicians.

(Marchés tropicaux, Paris, 9/8/69)
(International Financial News Survey, Washington, 24/10/69)

Congo (Kinshasa) - Federal Republic of Germany : A technical and economic co-operation agreement has just been signed between the German firm Lorens and the Congo Manufacturing and Sales Co. for Terracotta Articles (Manufacture de commercialisation des objets en terre cuite du Congo Kinshasa). The German firm, which produces 800 tons of porcelain yearly, employs 3 500 workers and maintains eight permanent showrooms; it will provide technical assistance for the commercial organization of the Congo concern.

(Marchés tropicaux, Paris, 13/9/69)

Congo (Kinshasa) - Japan : The Congolese Industrial and Mining Development Corporation (SODIMICO), a joint Japanese-Congolese enterprise for copper prospection and exploitation, is prospecting actively in the Katanga Province and is to present a provisional report to the Congo Development Co., the Japanese investment firm.

Deposits with a copper content of over 5 per cent have been discovered and the promoters hope that production of copper concentrates can begin by September 1972. The capitalization of SODIMICO is $200 000, of which 85 per cent was provided by the Japanese firm and the remainder by the Congolese Government.

(Marchés tropicaux, Paris, 13/9/69)

Guinea - France : The Bauxite Company of Guinea (Compagnie des bauxites de Guinée) has announced the conclusion of a loan agreement for a sum of $10 million with the Société financière européenne de Paris (SFE).

This loan, besides funds from other sources, will be used to exploit bauxite reserves in Sangaredi, in the Boké region in North-Western Guinea.

Operations involved include the construction of a railway, a harbour and a residential zone, besides the installation of bauxite quarrying, processing and transportation equipment.

Construction of the railway, harbour and residential zone, of which the estimated cost is $83 million, will be undertaken by Guinea and financed by a loan from the World Bank and the US Agency for International Development.

The remainder of the project will be carried out by the Bauxite Company of Guinea; the estimated cost is $99 million.

To complement this loan the US Import-Export Bank has authorized a credit of $15 million for the purchase of machinery and equipment in the United States by the Bauxite Company of Guinea.

Negotiations are at present proceeding for other long-term loans, principally from European sources.

The SFE of Paris is a long- and medium-term credit bank founded by the Algemeine Bank Nederland N.V., La Banca Nacionale Del Lavoro, the Bank of America, la Banque nationale de Paris, Barclays Bank Ltd. and the Dresden Bank A.C.

(Marchés tropicaux, Paris, 27/9/69)
(Africa, Paris, 19/9/69)

Ivory Coast - Italy : A contract for 6 million CFA frs. was signed on 12 November at Abidjan by the Ivory Coast Government and the Italian concern GIE.

The contract relates to the supply and installation of three generating sets, giving a total output of 174 mw, for the future generating station at Kossou and the installation of transmission lines from Kossou to Abidjan and Bouaké.

On 14 November President Houphouet-Boigny will preside over the ceremony of laying the first stone for the Kossou dam, where civil engineering works, which will continue for four years, were begun several months ago. The dam, in earth and rough stonework, on the Bandama river, will be 1 500 m in length and nearly 60 m high. It will retain an artificial lake 150 km in length and covering an area of 1 700 km2, creating a reservoir of 30 billion m3 capacity.

The new hydro-electric generating station, of a total net output of 174 mw, will be equipped with three 65 000 kva alternators and from 1978 onwards will produce 535 million kwh, or almost double the total electricity production of the Ivory Coast for 1967. The project, which was planned by the American firm Kaiser Engineers and Constructors, who are also responsible for technical supervision of the construction works, represents an investment of about 30 billion CFA frs. ($100 million).

The project is to be financed by the United States Export-Import Bank and the Italian consortium Impreglio, the contractors for the civil engineering works, each providing $36.5 million; the balance will be provided by the Ivory Coast Government.

(Marchés tropicaux, Paris, 15/11/69)

Morocco - United States : A loan agreement amounting to 7.7 million dirhams was concluded on 3 September at Rabat between the American Government, the American King Ranch Corporation and the Moroccan Government. It will be used to extend the Adarouch Ranch, a Moroccan-American commercial cattle-rearing enterprise established last April in the Province of Meknès.

In the first phase, nearly 10 000 Santa Gertrudis cattle will be imported from Texas for cross-breeding. It has been estimated that when the Adarouch Ranch is in full operation, annual sales will amount to about 10 million dirhams.

The Cooley loan funds arise from sums in dirhams belonging to the United States and received in payment for American agricultural produce sold in Morocco. These funds are intended specifically to encourage joint American-Moroccan private investment. The loan agreement just signed has a repayment period of ten years with a deferment of three years and bears interest at $6\frac{1}{2}$ per cent.

(Marchés tropicaux, Paris, 13/9/69)

Tanzania : Tanzania will be the first country in Africa to produce 8-inch (about 20 cm) plastic tubes. The Tanganyika Tegry Platics Ltd. is to receive an important installation, valued at 2 million shillings, for the production of tubing to a maximum diameter of 15 inches (about 38 cm). In addition to plastic tubing, the company produces household goods, hose-pipes, plastic bottles, bags, etc. Besides supplying the local market, it exports goods to Zambia and Kenya and hopes in future to sell its products in Congo (Kinshasa) and Madagascar. The Tanganyika Tegry Plastics Co. was established in Tanzania in 1963 and has assets in that country worth about 5 million shillings; it employs 95 workers. The National Development Corporation of Tanzania has a 51 per cent interest in the company.

(Marchés tropicaux, Paris, 13/9/69)

Tanzania : A compressed panel factory and a modern sawmill, costing altogether 4 million shillings (one shilling = 0.77 French francs) are nearing completion near Mombo in the Tanga region. This project is being carried out jointly by the National Development Corporation and the Grewal Saw Mills Ltd., which holds 20 per cent of the capital concerned. The factory is scheduled to begin operation next December; its production is intended both for the home market and for export to neighbouring countries. Raw materials are provided from various sawmills already in operation in the Tanga region. One of the most remarkable installations connected with the new plant is a cable railway 1 600 m. in length for the transport of logs from the timber producing area to Mkumbara, from where they are transported by road to the factory, a distance of about 5 km. This method shortens communications by nearly 90 km; the cable railway, the first of its kind to be installed in East Africa, is capable of transporting 2.5 tons of logs on each journey. The equipment concerned was supplied by the West German Company Siemelkamp of Krefeld.

(Marchés tropicaux, Paris, 4/10/69)

Tanzania - United States : Towards the end of August, President Nyerere laid the first stone of a new tyre factory to be constructed at Arusha. This factory, costing 61 million shillings, will be the joint property of the NDC (74 per cent) and the American firm General Tyre International Company, of Akron, Ohio, whose holding will be 30 million shillings. The factory is scheduled to begin production at the beginning of 1971; it will produce 200 000 tyres annually and will employ 500 Tanzanians. This factory should be able to meet the needs of the whole of East Africa and will be one of the most modern of its kind so far built on the African continent.

(Marchés tropicaux, Paris, 6/9/69)

Uganda - USSR : The Uganda Development Corporation (UDC) and the Soviet foreign trade corporation, Tekhnoexport, have recently agreed on the consstruction of a cotton spinning mill at Liva, at a cost of USh.100 million ($14 million). According to the agreement, the USSR will supply USh. 56 million worth of equipment and materials and USh. 1.5 million in technical assistance during the construction period. The UDC, on the other hand, will provide counterpart finance for the construction of the factory building, which is expected to cost USh. 40 million.

This project reflects Uganda's efforts to process agricultural commodities before export. Further processing of cotton into yarn at the Liva spinning mill is expected to ensure greater export earnings. Uganda's cotton is exported to countries outside East Africa and in recent years has contributed 21 per cent of total earnings.

(International Financial News Survey, Washington, 17/10/69)
(Marchés tropicaux, Paris, 13/9/69)

Zambia : Work will begin next year in connexion with three large-scale industrial projects for INDECO, representing a total investment of 50 million kwachas. The projects are as follows: a glass factory (4 million kwachas); an automobile assembly plant at Kafue (1 500 000 kwachas); and a refinery at Ndola (19 million kwachas). Announced by President Kaunda, they will give employment to between 4 000 and 5 000 persons when completed. It may be noted that INDECO has carried out a series of tests on the sands at Kapiri Mposhi, to evaluate their suitability for glass manufacture.

(Marchés tropicaux, Paris, 6/9/69)

IMPORT RESTRICTIONS, CUSTOMS DUTIES

Burundi : By an Order of 26 May 1969, the export levy on Burundian coffee was modified in accordance with international market conditions.

The new rates in force from 15 May for coffee beans are as follows (in Burundian francs per kg):

Arabica beans (a) qualities FN and OCIBU 2: 5.13; (b) qualities 3A and 3B: 6.34; chips and fragments, 4.35.
(Marchés tropicaux, Paris, 4/10/69)

Burundi : By Order in Council of 23 June 1969, the excise tax on rice entering Burundi has been increased to 30 per cent (with exemption from import duty). From 1 July 1970, the excise tax will be restored to its original rate of 5 per cent. By an Order of 25 June 1969, the levy on all wholesale exports of Arabica beans effected between 15 May and 30 September 1969 was reduced by 3 FBU per kg.

By an Order of 8 July 1969, the export levy on raw cotton was fixed at 7 per cent.
(Marchés tropicaux, Paris, 22/11/69)

Cameroon : The Cameroonian taxation system has been modified in certain respects by the Appropriations Bill for the financial year 1969-1970. The principal modifications come under the following headings:

(a) Tax on profits from industry and commerce

Article 14 of the Tax Code has been modified. Deficits incurred during a given financial year can be carried forward to subsequent years up to the third (instead of the fifth as previously). The new regulation applies to deficits recorded in balance sheets drawn up on 30 June 1969 and subsequently; deficits incurred previously are still subject to the earlier regulation until amortized.

Deficits recorded not later than 30 June 1968 can continue to benefit from the earlier regulation; these latter can be carried forward until January 1973.

(b) Minimum flat rate surtax

A new paragraph appended to Article 52 extends the application of this tax to all sources of income liable for scheduled taxes: BIC, profits from non-commercial professions, agriculture and crafts.

The surtax is fixed at 1 per cent of turnover for the previous year and is not remitted in periods of deficit.

In cases where the surtax is greater than the amount calculated by the taxpayer on the basis of declared income, the balance of the former must be paid.

Surtax payable by corporation is fixed at a minimum of 200 000 CFA frs., even where this sum is greater than 1 per cent of turnover.

(c) Investment allowances

The procedure for applications for investment allowances has been re-defined. The taxpayer must remit to the Chief Inspector of Taxes, within the time allowed for submission of tax returns, a dossier in thirty copies (five complete copies and twenty-five which need not be accompanied by certified documents or vouchers) including the following:

- one application (original on stamped paper);
- a summary report, describing and evaluating the programme concerned;
- documents justifying declared expenses (bills, accounts, estimates, in five copies);
- complete information concerning the tax status of the related enterprise since its foundation;
- accountancy documents for the financial year concerned (in five copies); balance sheets, capital accounts, profit and loss accounts, amortization tables, stock inventories, for the two preceding financial years;
- a recommendation from the local administrator (Prefect); this will be made after consultation with an ad hoc committee appointed by the latter, which will make an evaluation of the investment concerned and the sum involved.

(d) Income tax

As a result of the abrogation of paragraph 2 of Article 41 of the tax code, salaries of expatriates liable for income tax and graduated surtax will no longer benefit from the 25 per cent allowance as hitherto. Such salaries will henceforth be taxed under the same common law regulations as are applicable to Cameroonian residents.

This provision is applicable from 1 July 1969 to income and profits arising in 1968-1969; it involves retrospective taxation in relation to (a) pre-payment of graduated surtax received in 1968-1969 and (b) salaries, where the latter have benefited from the allowance referred to.

A further provision raises the lower limit of taxable income from 5 000 to 10 000 CFA frs. per month; the figures refer to gross income, before tax deduction.

(e) Time limit for retrospective taxation

Under the newly modified Article 84, the time limit for retrospective taxation is reduced from five years to four. This provision applies to the current financial year (1969-1970); thus, retrospective tax demands issued during that year and concerned with preceding years cannot apply to any financial year earlier than 1965-1966 and consequently to income arising before 1964-1965.

(f) Commercial and professional tax

A few minor modifications have been made to tax rates under this heading. A more general provision gives favourable treatment to co-operatives and tradesmens' bulk-buying syndicates.

(g) Turn-over tax

A more precise definition of the term "producer", in the fiscal sense, has been made. The following are described as industrialists or producers:

(1) Persons manufacturing, finishing, processing or marketing products;

(2) Persons on whose behalf the afore-mentioned operations are carried out by third parties.

The text of Article 300 of the code has been revised to widen the application of the tax concerned.

New version: "The following activities carried on in East Cameroon are subject to turnover tax:

(1) (a) Provision of services and activities resulting from the exercise of the liberal professions;

(b) sale on local markets, for consumption, of viniculture produce;

(c) sale on local markets of locally-manufactured goods;

(d) sale of second-hand goods and articles;

(e) All activities other than those concerning the resale, in their original state, of imported goods or produce;

(f) brokerage and factorage operations concerning goods delivered to or used in Cameroon and royalty payments by Cameroonian enterprises to foreign firms for technical, administrative or financial assistance or accountancy;

(2) (a) Deliveries made to himself by any person liable to the present tax, of products extracted or manufactured by him, either for his own use or that of his business undertakings, whether relating to the provision of services or to sale for immediate consumption;

(b) transport, transit and warehousing operations carried on by enterprises on their own behalf.

Excluded from the application of the present article are the following: deliveries made to himself by a private individual or a group of individuals, for his or their own personal use, when such deliveries are made to private dwelling-places.

(Marchés tropicaux, Paris, 1/11/69)

Congo (Kinshasa) : By an Order issued on 22 October 1969, export levies on timber and the principal agricultural products have been reduced. This measure, effective immediately, was prompted by the need to reduce export prices and to improve the competitiveness of the goods concerned.

Tea and groundnuts (husks or shelled) are exempt from the export levy.

Coffees (Robusta and Arabica) are subject to a levy of 2 per cent (husks or shelled) and 3 per cent (whole beans). Roasted coffee is taxed at 5 per cent.

Unrefined palm-oil is taxed at 3 per cent.

Natural rubber is taxed at 5 per cent, latex at 3 per cent.

Timber is taxed at from 5 to 6 per cent according to species.

(Marchés tropicaux, Paris, 22/11/69)

Dahomey : To reduce the budget deficit, the Cotonou Government has declared preliminary measures to increase indirect taxation; to this end, three Orders having immediate effect were issued on 9 August 1969.

(a) Local tax on imported consumer goods: this tax, levied directly at the point of entry, is applied to imported products at the following rates (in CFA frs. per kg): frozen fish and seafoods, 20; butter, 60; margarine, 20; fresh fruit, 50; dried fruits, 30; fresh vegetables, 25; tinned fruits and vegetables (excluding tomatoes or tomato purée), 40; wheat flour or corn flour, 5; rice and rice fragments, 5; kitchen salt, 2.

The tax will be incorporated in wholesale or retail prices after determination of cost price, on which the importer's profit margin is based.

(b) Import duty on beverages (flavoured aerated waters, beer, wines). Rate increases: (1) import tax on fermented beverages, to 46 per cent (general rate) and 94 per cent (special rate); (2) overall tax and import duty on beverages according to type, to 52, 58, 64, 70 and 101 per cent (minimum tariff) and to 64, 82, 101, 113 and 119 per cent (general tariff).

(c) Taxation of internal consumption of gasoline and aerated beverages. New rates: gasoline, 9.58 CFA frs. per litre; beer, from 6 to 32 CFA frs. per bottle, according to alcoholic strength and content; aerated waters, from 4 to 14 CFA frs. per bottle according to contents.

(Marchés tropicaux, Paris, 6/9/69)

Dahomey : The Order issued on 19 June 1969, provisionally suspending imports of sacks and bags, jute fabrics and all other textile fibres used for bag manufacture, applies to the following merchandise, according to Dahomean customs terminology:

(1) empty sacks and bags in all types of fabric, regardless of weight per m2: (a) new, (b) used; 62-03A;

(2) jute fabrics and other vegetable textile fibres used for sack and bag manufacture: 57-10 and 57-11.

(Marchés tropicaux, Paris, 22/11/69)

Gabon : A new "Taxe Complèmentaire" on tobacco imports to Gabon has been announced. The rate of this tax, which came into force on May 1, 1969 was fixed per kg. net as follows:

24.01	Raw tobacco or unmanufactured tobacco, waste products of tobacco	100 F (CFA)
24.02	Manufactured tobacco, tobacco extracts and essences	100 F (CFA)

(Board of Trade Journal, London, 1/10/69)

Gambia : The customs Tariff (Amendment No.8) Notification, 1969, amends with effect from June 17 the First Schedule to the Gambia Customs Tariff by the replacement of the rates of duty for the following items:

First Schedule - Import Duties

Tariff No.	Tariff description	Date of Duty Preferential	General
10.06	Rice	The 100 lbs. £0 5s. 0d.	The 100 lbs. £0 5s. 0d.
22.03	Beer (made from malt) including ale, stout and porter	The gallon £0 6s. 10d.	£0 7s. 4d.
24.02	Manufactured tobacco: Tobacco extracts and essences: A. Cigars, cheroots and cigarettes not exceeding 3 lb. weight the thousand	The hundred £0 3s. 8d.	The hundred £0 4s. 2d.
87.02	Motor vehicles for the transport of persons, goods or materials (including sports motor vehicles other than those of heading 87.09)	25%	30%

(Board of Trade Journal, 27/8/69)

Ghana : The first and second schedules to the Ghana customs tariff are amended and became effective from 16 July 1969. For complete list see Board of Trade Journal, 6/8/69)

(Board of Trade Journal, London, 6/8/69)

Ghana : Textile fabrics defined under Nos. 652 and 656 of the Ghanaian customs schedule can no longer be imported under special non-numbered licences. The articles concerned are as follows: cotton cloth, synthetic fibre fabrics, tulle, lace and ribbons, felt, rubberized or coated fabrics, elasticated fabrics, bags, awnings, tents, sails and covers, cotton towels and table linen.

(Marchés tropicaux, Paris, 18/10/69)

Kenya : Legal Notice No.177, published in the Kenya Official Gazette Supplement No. 62 of August 8, announces, with effect from July 30 the Imports, Exports and Essential Supplies (Imports) (Amendment) (No.3) Order, 1969, which amends the Imports, Exports and Essential Supplies (Imports) Order, 1968. The First Schedule to the latter Order, and subsequently amended, is now further amended, as follows:

First Schedule

Code	Division Number, Group Number, Item, Codes and Items
(a) by deleting	therefrom the following items:
719 210	Motor-driven high pressure pumps and stationery equipment
719 809	Hydraulic presses and air-compressors.
(b) by inserting	therein in their correct numerical order the following new items:
	Division 65 - Textile Yarn, Fabrics, Made-up Articles and Related Products Group 651 Textile yarn, and thread:
651 600	Yarn of man-made fibre (synthetic).
	Group 691 finished structural parts and structures, n.e.s.:
691 109	Part of fully fabricated steel works including building and bridges.
719 220	Air-compressors.
719 809	Hydraulic presses.

(Board of Trade Journal, 27/8/69)

Niger : The Decree of 28 June 1965 has been modified by an Order of 28 July 1969 relating to sugar imports and the creation of a sugar support fund. The modification concerns the method by which the aforesaid tax is assessed on all imported sugars originating from countries not members of the African and Malagasy Sugar Agreement (non-OCAM sugar).

The rate will be fixed for each consignment by the Directorate of Economic Affairs and will be equal to the difference between a standard price fixed by decree and revised periodically and the landed price of the consignment concerned, duty paid and delivered to the importer's warehouse. A cargo of sugar in a given form (lumps, cubes, granulated, etc.), unloaded from a given ship, bound for the Niger by a given route and despatched to a given importer, will be considered as a landed consignment.

(Marchés tropicaux, Paris, 4/10/69)

Nigeria : The Nigerian Federal Government has decided to reduce the ad valorem import duty on certain types of industrial equipment from 20 per cent to 5 per cent. This decision applies in particular to: boilers, pumps, furnaces, industrial air-conditioning and refrigeration equipment, materials for maintenance and public works, agricultural materials, machinery for the paper, textile and metallurgical industries, measuring instruments and medical and surgical materials. The provious rate of 20 per cent was in force from 8 May last.

(Marchés tropicaux, Paris, 8/11/69)

Nigeria : It has been anncounced that specific import licence is now required for the importation of raw coffee into Nigeria from all countries.

(Board of Trade Journal, London, 1/10/69)

Sudan : When it came to power on 25 May 1969, the Government born of the national revolution found a heavily-encumbered financial situation and took urgent preliminary measures to increase indirect taxation to lighten the budget deficit, which amounted to £S 4 million for the month of June alone and was expected to exceed £S 7 million for the month of July.

The import levy applied to all imported produce at entry, in addition to customs duty and which had already been raised from 6 to 10 per cent on 14 October 1968, has been further increased to 15 per cent since 1 July.

Similarly, also since 1 July, customs duty has been raised sharply, especially on products classified as "luxury".

The main modifications concern radio sets, on which the rate is raised from 40 to 80 per cent, television receivers, from 40 to 100 per cent, electric household appliances, from 80 to 120 per cent, cotton cloth, rates varying according to price: from 16 to 22 per cent and from 32 to 80 per cent; leather shoes, from 32 to 40 per cent; biscuits, from 70 to 100 per cent; whiskies, from £S 5 to £S 6 per litre, other alcoholic beverages, from £S 10 to £S 12 per litre of alcohol; sherries, according to alcoholic strength, from 400 - 420 to 430 - 480 per cent; food products and tinned foods from 42 to 60 per cent; vehicles from £S 125 to £S 150; timber, from 20 to 40 per cent, etc.

Imports from the United Arab Republic, to which special treatment is given, are also subject to the general increase in import duties. The following products are still subject to especially heavy rates in relation to the general tariff: cotton cloth is increased, according to price, from 40 to 60 per cent to 80 to 150 per cent; leather shoes, from 80 to 100 per cent.

Excise taxes have also been increased as from 1 July. New rates: shoes, according to price, 20 to 25 per cent of cost price; refrigerators and air-conditioning equipment, 40 per cent of cost price; edible oils, £S 15 per metric ton (against 5 per cent); confectionery and biscuits, 75 per cent; mineral waters, 60 mms per dozen (doubled tariff); beer, 315 mms per litre (against 245 mms); alcoholic drinks, £S 4 per litre of alcohol (against £S 3); gasoline, £S 53 per metric ton (against 50.5); diesel oil, 19 per cent (against 15 per cent) plus a supplementary tax of 250 mms per metric ton.

Sales tax has also been increased, on beer from 215 to 315 mms per litre and on gasoline (retail) from £S 12 to £S 24.5 per metric ton.

The expected product from these various increases is £S 7 million; fiscal receipts will thus be raised by 13 per cent.
(Marchés tropicaux, Paris, 16/8/69)

Sudan : Sharp increases in direct taxation have been announced, with an estimated yield of £S 2.0 million. On top of this, an emergency tax ranging from 5 to 10 per cent on gross income has been imposed for one year only. Business and property levies have also been scaled upwards. Increased revenue to the treasury from these changes in direct taxation will amount to about £S 13.75 million. The following table shows the new income tax rates compared with the old rates:

New Rates		Old Rates	
Income bracket £S	Tax rate %	Income bracket £S	Tax rate %
0- 300	Exempt	0- 300	Exempt
300-1,000	5	300- 600	1
1,000-2,000	10	600-1,200	2
2,000-3,000	15	1,200-2,000	3
3,000-4,000	20	2,000-4,000	15
4,000-5,000	25	4,000-6,000	20
5,000-7,000	30	6,000-10,000	30
Over 7,000	50	10,000-25,000	40
		Over 25,000	

(Quarterly Economic Review, London, No.3, 1969)

Tanzania : The Tanzania Government has announced amendments to the Open General Licence, 1968. The Second and Fourth Schedules to the latter Open General Licence, and subsequently amended, are now further amended. The effect of this amendment is that all applications to import the goods shown in the Second Schedule should be submitted to the State Trading Corporation, and not so direct to the office of the Imports Controller.
(For complete list of this amendments see Board of Trade Journal of 6/8/69, 16/8/69 and 1/10/69).

(Board of Trade Journal, London, 6/8/69, 16/8/69 and 1/10/69)

Tunisia : By Decree of 29 March 1969 (Tunisian Official Gazette, 4 April) the rates at which various direct and indirect taxes will be charged were fixed, taking into account the increase in the "decime" (supplementary tax) enacted in the Financial Appropriations Bill of 31 December 1968, relating to the financial year 1969. Principal rates, by categories:

(a) Insurance tax:

(1) Maritime and aviation risks of all types, 6.9 per cent;

(2) Fire, excluding agricultural risks (included under (5)), 41.9 per cent;

(3) Life insurance and life annuity contracts, 5.5 per cent;

(4) Export credits, 0.3 per cent;

(5) All other types of insurance, 9.8 per cent.

(b) Tax on investment income:

(A) Tax on income from securities:

(1) General rate, 19.5 per cent;

(2) Reduced rate, 16.7 per cent;

(3) Yield from negotiable bonds issued since 1 July 1956 by corporations having their registered offices in Tunisia and yield from other types of loans contracted since 1 July 1956 for a term of at least five years: general rate, 14 per cent; reduced rate, 11.2 per cent.

(B) Tax on income from loans, deposits, surety-bonds and current accounts, 11.5 per cent.

(C) Supplementary tax on interest from savings certificates, 27.7 per cent.

(c) Direct taxation:

(I) Ad valorem commercial and professional tax: (1) individuals and partnerships: (a) carrying on commercial activity, 46.5 per cent; (b) carrying on activities relating to industry, crafts, tourism or transport, 29 per cent.

(2) Public companies: (a) general rate, 46.5 per cent; (b) activities relating to industry, crafts, tourism or transport, 40.1 per cent.

(1b) Ad valorem commercial and professional tax, special tariffs: (1) chemists; (a) first range of income up to 9 000 D, 31.5 per cent; (b) second range, exceeding 9 000 D, 46.5 per cent.

(2) Small tradesmen and artisans defined in Table A or B of the Decree of 11 June 1968: first range of income up to 360 D, 11 per cent; second range, from over 360 to 600 D, 16.5 per cent.

Additional income is subject to the general rate applicable to the professional activity concerned.

(II) Tax on income from non-commercial professions: (1) general rate, 11.5 per cent; (2) leasing or renting of rural property, 17 per cent.

(III) Tax on salaries or remuneration: (a) up to 2 500 D, 5 per cent; (b) from 2 501 to 4 000 D, 6.3 per cent; (c) from 4 001 to 600 D, 7.6 per cent; (d) over 6 000 D, 8.9 per cent.

(d) Indirect taxes:

Motor Vehicle Licences: from 484 to 726 D according to horse-power.

Licences for diesel-engined passenger-carrying vehicles: 48.4 D and 96.8 D, according to horse-power.

Alcohol excise tax: 178.886 D per hectolitre of pure alcohol, reduced to 10.48 D for perfumery and medicinal products. Surtax on alcoholic drinks, 37.773 D per hectolitre of pure alcohol.

Authentication fee for works in platinum and gold, 2.095 D per hectogramme. For articles in silver, 0.209 D per hectogramme.

Production tax: 14.4 per cent.

Sales tax: Table "A", 23 per cent; Table "A(bis)", 16 per cent; Table "A(ter)", 8 per cent.

Tax on the provision of services: activities listed under Table C appended to the Decree of 29 December 1955, 1.75 per cent; activities listed under Table D appended to the same Decree, 2.3 per cent.

Production tax relating to olive oil: (1) oil cake, per ton, 1.445 D; (2) olives put to use, per ton, 0.505 D.

Tax on the provision of services: transport of goods, per ton of pay-load per annum, 11.435 D; regular passenger transport services: per seat/kilometre offered to the public, 0.000096 D.

Tax on the provision of services: electricity production and distribution, 0.00024 D per kwh.

Sales tax: Coffee, 44.5 per cent; pepper and spices, 6.4, 12.6, 19 and 25.4 per cent, according to customs classification; vanilla, 50.8 per cent; groundnuts, 25.4 per cent; sunflower seeds, 19 per cent; shellac, 25.4 per cent; cocoa, 31.8 per cent; cocoa butter or paste, 50.8 per cent; confectionery, 6.4 and 31.8 per cent according to customs classification; chicory, 25.4 per cent; coffee extracts, 50.8 per cent; tea extracts, 44.5 per cent; ethyl alcohol, 4.192 D per hectolitre; petroleum oils, 0.40 D per hectolitre; gasoline, 1.69 D per hectolitre; kerosene, 0.91 D per hectolitre; diesel oil, 0.875 D per hectolitre; petroleum grease, 0.875 D per 100 kg; petroleum gas, propane or butane, 5 per cent; essential oils, 50.8 per cent; perfumery, toilet products and toilet soap, 14 per cent; gunpowder and explosives, 110 per cent; prepared explosive charges, minimum 60 mms per kilo; solid tyres, penumatic tyres and inner tubes, 35 per cent; automobile engines, 135 D each; automobiles, 120 D each; cartridges, 110 per cent, etc.

(Industries et travaux d'Outre-Mer, Paris, July 1969)

UDEAC : By virtue of an Act of the Governing Committee of the UDEAC, (Central African Customs and Economic Union) of 26 July 1969, the new definition of statistical export value will come into force on 1 January 1970.

The definition includes: ex-factory value of the goods concerned, cost of transport, insurance, warehousing and transit to a UDEAC frontier and any export levy applicable.

(Marchés tropicaux, 4/10/69)

UDEAC : The customs tariff of the UDEAC has been modified under various decisions of the Governing Committee of 26 July 1969.

Import duty and taxes on meat products originating in member States of the former OAMCE (African and Malagasy Organization for Economic Co-operation) and imported into Gabon and Congo (Brazzaville) are suspended until further notice.

Similarly, import duty and taxes on sodium carbonate originating in the former OAMCE are suspended in the four member States of the UDEAC, Cameroon, Central African Republic, Gabon and Congo (Brazzaville), until further notice.

In addition to imports on behalf of the Water and Forest Service, specialized products for timber protection imported by lumber enterprises in the four States will be exempted from duty.

The tariff for synthetic fibre fishing line has been fixed as follows: customs duty, 20 per cent; import levy, 20 per cent.

A minimum duty of 2000 CFA frs. per kg (gross) is applied to underclothes and other types of clothing.

(Marchés tropicaux, Paris, 18/10/69)

Uganda : The Finance Appropriations Bill for the financial year 1969-1970 contains various amendments relating to changes in customs tariffs and indirect taxes.

In the import tariff schedule, item 12.01 (linseed) is completely exempted, other items being subject to duty at 30 per cent.

Beer imports: stout is liable to duty at 22/5 per gallon (the Ugandan shilling, divided into 100 cents, equals approximately FF 0.69) and lighter beers at 18/- per gallon.

Artificial colouring materials for foodstuffs, beverages and toilet preparations are liable to duty at 37.5 per cent.

Film and sheet for wrapping (other than polythene) and fishing nets are exempted from import duty.

Many articles and products are temporarily exempted from import duty, in particular: flexible couplings, pedals and rubber accessories for vehicles (excluding tyres and inner tubes), general tariff, 10 per cent; envelopes, wrappings and paper bags, general tariff, 22.5 per cent; account books and similar articles, general tariff, 6.66 per cent.

Indirect taxes: excise tax on stout is fixed at 2.25 shillings per litre, lighter beers being taxed at 1.5 shillings per litre.

Tax on cigarettes is graduated in accordance with retail price. For those having a retail price of less than 30 shillings per thousand, the tax is set at 14.5 shillings per thousand; it rises to a maximum of 56 shillings per thousand for those priced at 125 shillings and upwards.

Excise tax has also been adjusted on varnishes, lacquers, paints and enamels, for which the new rate is 9.6 shillings per cwt.

The principal changes in sales tax concern cigarettes (exempted where the retail price is less than 75 shillings and graduated from 5.5 to 50 shillings per thousand on higher prices), polyethylene (10 per cent, with exemption for thick sheets), tubes, pipes, textile transmission belts (exempted), childrens' clothing (exempted), watch-chains and watch-straps (10 per cent), certain minor spare parts for vehicles (exempted), etc.

By a complementary amendment, manufacturers of refrigerators are added to the list of local industries benefiting from remission of import duty and taxes affecting raw materials used.

(Marchés tropicaux, Paris, 9/8/69)

United Arab Republic : The United Arab Republic has reduced customs duties on imported cars from 250 per cent to 100 per cent. (At the same time the price for the Egyptian-made Nasr 1100 car was lowered from LE 1,700 - \$3,910 to LE 1,100). Furthermore, persons arriving in the United Arab Republic may choose to pay import duties at the rate of 100 per cent for personal effects worth up to LE 100 rather than at the higher rates applicable in accordance with the regular schedule of tariffs.

(International Financial News Survey, Washington, 12/9/69)

Upper Volta : Customs duty and import taxes on iron and steel sheet have been modified by an Order of 25 July 1969.

New rates: hot- or cold- rolled sheet, iron or steel:

- No. 72-13-91 corrugated sheet: customs duty, 10%; import tax, 5%; statistical tax, 1%; flat-rate, 10%; development tax, 10%; support tax, 1.5%.

- No. 72-13-92 other types of sheet: customs duty, 10%; import tax, exempt; statistical tax, 1%; flat rate tax, 2%; development tax, 10%; support tax, 1.5%.

(Marchés tropicaux, Paris, 13/9/69)

TRADE PROMOTION

Ghana : An Export Promotion Council was established in Ghana by a Decree published in Accra at the beginning of October. The task of this organ will be to collect information about different local products and to carry out marketing studies to promote sales on the export market. Under the terms of the Decree, the Council will be headed by a personality appointed by the National Liberation Council. Its members will be chosen from among representatives of the Ghana Manufacturers' Association, Ghana N National Chamber of Commerce, Ghana Timber Federation, Ghana Timber Producers Association, Timber Marketing Board, Bank of Ghana, National Investment Bank, Agricultural Development Bank, Cocoa Marketing Company, Cocoa Marketing Board and National Standard Board.

(Marchés Tropicaux, Paris, 10/10/69)

Ivory Coast : The Government intends, during 1970, to create an organ whose object will be to promote export sales of Ivory Coast products. Several bodies already exist for the promotion and export marketing of certain types of agricultural produce; for example, the syndicate of planters and manufacturers of tinned pineapple and pineapple juice, the O.C.P. (commercial banana production organization) and the coffee and cocoa stabilization fund, which has offices in Europe and the United States.

The activities of the new Government organ will be concerned not only with agricultural produce but with all Ivory Coast products. To this end, an expert from the International Trade Center (GATT/UNCTAD) has arrived in the Ivory Coast to bring the latter organization's assistance to the Ivory Coast Government. The International Trade Centre's assistacne will concentrate on the training of personnel specialized in marketing, on the study of the products concerned and of possible markets.

(Marchés Tropicaux, Paris, 16/8/69)

BANKING

<u>Congo (Kinshasa)</u> : It has been reported that the Congolese Government have announced their intention to establish a Congolese Investment Bank (<u>Société Congolaise de Financement du Développement</u>). The new bank which is to be incorporated at the beginning of 1970 will be constituted as a limited liability company with an initial capital of 2 million zaïres (approximately £1.67 million); This capital would be contributed approximately as follows: 30 per cent Congolese private sector, 25 per cent foreign private sector, 20 per cent International Finance Corporation, 10 per cent Congolese National Bank, 15 per cent Congolese Government.

The bank would aim to interest intself in the widest possible range of investments. Participation in enterprises would be through the purchase of shares and the grant of medium and long-term loans. It would also give technical aid and advice to its clients in the planning of development projects.

(Board of Trade Journal, London, 15/10/69)

<u>Uganda</u> : New banking legislation was voted by the Uganda Parliament on 13 October. An amendment to the Banking Act stipulates that all banks operating in the country must be registered in Uganda; furthermore they must have a minimum paid-up capital of 20 million Uganda shillings (about £1.15 million). The banks were ordered to close on the day of promulgation of these measures, to allow the Bank of Uganda to study their latest accounts (balances and assets).

Nevertheless, the new measures will pose serious problems to banks now operating in Uganda, i.e. the National and Grindley, Barclays D.C.O. and the Standard Bank, whose activities are on a large scale, but also and chiefly to those banks that are less firmly rooted in the area, such as the Bank of India, the Bank of Baroda, the General Bank of the Netherlands and the Commercial Bank of Africa. These latter, which have only a few branches in Uganda, will certainly consider the minimum capital requirement too high.

The day on which the new regulations will come into force has not yet been determined.

(Marchés Tropicaux, Paris, 18/10/69)

S T A T E T R A D I N G

Sudan : Two companies have been set up by the G vernment of the Sudan to take over the import of jute manufactures, chemicals, sugar, fertilizers, and insecticides. They will also be responsible for the import of government requirements of vehicles, tractors, spare parts, and pharmaceuticals. According to the Minister for Economics and Foreign Trade, the companies are expected to make a profit equal to about 70 per cent of the taxes the state formerly collected from the private sector companies operating these businesses. At the same time, the import of coffee, which had been nationalized in 1968, was returned to the private sector.

(International Financial News Survey, Washington, 21/11/69)

Tanzania : Under the terms of the Sisal Industry Bill, 1969, submitted to the Tanzania National Assembly on 23 October, the Government will take complete control of the sisal trade in Tanzania. The text, discussed by Parliament under emergency procedures, provides in particular for the creation of the Tanzania Sisal Board to replace the existing Tanganyika Sisal Marketing Board. The new organism will also take over the activities of the Tanganyika Sisal Marketing Association (TASMA) and its subsidiaries.

TASMA is a non-profit-making limited liability company and until now marketed about 60 per cent of the sisal produced; the remainder of this trade was handed over to accredited agents. The new legislation will abolish the licences granted to the latter; however, the Government will have power to allocate provisional licences for a maximum period of three months to certain agents, to allow the terms of their contracts to be completed. No licence will be considered as valid after the expiration of this period.

It may be noted that the new board, under the control of the ministry concerned, will have power to control and fix sisal prices for export or for sale on the home market to local industries, to direct sales of this product to a given market or a specific industry in Tanzania and finally to allocate production quotas to sisal plantations. It is also empowered to levy a tax on all sisal produced, sold or exported. Finally, the board will be responsible for all research concerning utilization of sisal and its by-products.

(Marchés Tropicaux, Paris, 1/11/69)

Madagascar : The Malagasy Government has just promulgated a Decree by which is created the Malagasy Tobacco Office (OFTAMA), a public industrial and commercial organism which will be responsible for the protection, control and qualitative and quantitative promotion of Malagasy tobacco production on behalf of the State.

It is emphasized in well-informed circles that this by no means implies the eventual nationalization of the industry. From 1972 onwards OFTAMA will replace SEITA (State Match and Tobacco Corporation), a French organism which trained the Malagasy personnel and whose concession expires at the end of 1971. Malagasy tobacco production amounts to about 3,200 tons a year in industrial plantations and between 2,200 and 2,500 per annum in family plantations.

Exports, mainly to France (90 per cent,) amounted in 1968 to 2,780 tons of which 2,472 tons were of raw tobacco and 244 tons of cigarettes (to Réunion), for a total value of 594 million FMG. Nevertheless, Madagascar imported 459 tons of raw tobacco (mainly from Malawi, Brazil and Canada), 314 tons of cigarettes (from France) and about one ton of cigars (from the Netherlands and the United States), to a total value of 289 million FMG.
(Marchés Tropicaux, Paris, 13/9/69)

Zambia : A new organism, the National Agricultural Board of Zambia, was recently founded to facilitate marketing operations. This new body results from the fusion of the Agricultural Marketing Board and the Grain Marketing Board of Zambia, which were both active during the past three years. It should also be noted that all the Zambian State cattle-breeding ranches will henceforth be controlled by the Zambian Cattle Development, a subsidiary of the Agricultural Development Corporation.
(Marchés Tropicaux, Paris, 4/10/69)

E C O N O M I C C O - O P E R A T I O N

East Africa - EEC : The Secretary of State for Foreign Affairs visited Arusha in Tanzania, headquarters of the East African Economic Community, to sign, on 24 September, a convention of association between the three States of Kenya, Tanzania, Uganda and the European Economic Community. The text of this convention was the subject of an agreement concluded in Brussels on 9 July, which was approved at the end of the same month by the Council of Ministers of the six Common Market countries.

The new Arusha convention is the second of its kind between the parties concerned; a previous convention of association, signed in July 1968, expired before it came to be applied, since the interested parties failed to ratify it in time. Like the Yaoundé convention, it is valid for five years, ending on 31 January 1975 at the latest, but the text must nevertheless be ratified, after signature, by all the States concerned.

The provisions of the new convention of association will not be recapitulated in detail here, since an analysis was given in FTNL No. 25; however, the main clauses concerning trade may be noted: (1) the EEC grants its partners exemption from import duty and from taxes equivalent in effect, but with two important restrictions: (a) for products to which the common agricultural policy of the six countries is applicable, the EEC will fix, in each case, the conditions under which the merchandise concerned may be imported from East Africa; (b) three tropical products, of which exports from the "Three" compete in the Common Market with those from the Yaoundé associates, are the subject of a special protocol; if imports of these products from East Africa exceed given quantities in the course of a single year, the European Community may take the measures necessary to avoid serious disturbance of traditional patterns of trade. The quantities concerned are: 56,000 tons for coffee, 120 tons for cloves and 860 tons for tinned pineapple.

(2) In return, Europe will benefit from tariff reductions of from 2 per cent to 8 per cent on more than 50 articles or products imported by the East African Community and representing 6.5 per cent of total imports of the three countries and 10 per cent of their imports from the EEC.

(3) The other headings of the agreement concern: Quantitative restrictions, to be abolished, theoretically, within two years but subject to waivers; the right of establishment; payments and movements of capital; institutional provisions.

It may be noted, finally, that the Arusha conventiona provides for neither financial nor technical assistance from European sources.

(Marchés Tropicaux, Paris, 27/9/69)

Cameroon - Equatorial Guinea : A delegation from Equatorial Guinea and representatives of Cameroon have been conducting negotiations with a view to the conclusion of co-operation agreements between the two countries; as a result, three such agreements were initialled at Yaoundé on 23 October. These agreements, resulting from negotiations continuing for four days, include in particular: a treaty of friendship and good neighbourliness; a technical and economic co-operation treaty providing for the recruitment and training of Guinean technicians and experts; a trade agreement concerning certain products, of which the list has yet to be established; and finally the free movement of persons and goods between Guinea and Cameroon.
(Marchés Tropicaux, Paris, 30/8/69)

Ghana - Dahomey, Togo : On 22 August, the final text of an agreement between Ghana on the one hand and Dahomey and Togo on the other, relating to the supply of electric power by Ghana to the two other States, was signed at Lomé. The Volta River Authority, (VRA) a Ghanaian public corporation exploiting the hydro-electric generating station at Akosombo, offered, through the intermediary of the Ghanaian Government, to supply electric power from this generating station to the neighbouring countries of Dahomey and Togo. The agreement provides, in particular, for the construction of a high tension transmission line 288 km in length from Akosombo to Cotonou via Lomé; the project will be financed by a loan from Canada of the equivalent of 2.6 million francs CFA.

Under the terms of the recent agreements, the VRA will build, maintain and operate a 16,100 volt transmission network, capable of carrying electric power from Akosombo to delivery points to be chosen jointly by the contracting parties, whilst the Governments of Togo and Dahomey will construct, maintain and operate a similar transmission network from the delivery points onwards. The entire network will be ready for operation on 31 December 1971 at the latest.

The VRA will meet the cost of construction of the transmission line within Ghana; the Governments of Togo and Dahomey will finance the works from the point of delivery onwards.

On completion of the works, the VRA will supply the two Governments permanently, at the delivery point, with a minimum of 6,000 kw of electric power. However, the two Governments cannot demand more than 2,500 kw from the Ghanaian authority before the end of 1971 or more than 50,000 kw after that date. Once a year, the Governments of Togo and Dahomey will submit estimates of their requirements for coming years to the Ghanaian authority. However, by a clause in the agreement referred to, the Governments reserve the right to use their own sources of power. They can then, with the agreement of the Ghanaian authority, put their respective generating systems in parallel with the Ghanaian system. On the other hand, the VRA will be entitled to demand from the Governments of Togo and Dahomey the reciprocal supply, from the delivery point, of an agreed quantity of electric power, which it will purchase under the terms of the agreement. The power thus supplied will be paid for by Ghana, in order that none of the parties concerned should incur profits or losses in the operation.

The Governments of Togo and Dahomey must pay the VRA, monthly, for the electric power supplied, in dollars or other convertible currency, a sum which will include: (1) construction costs, equivalent to $ 24,500 per month; (2) a tariff equivalent to $ 2 per kw per month, based on the average maximum demand in kw recorded at the delivery point during 15 consecutive minutes in the course of a single month; (3) a tariff of 2 cents for every kw-hour supplied during the month concerned. The sum of these three items will constitute the total payment for electric power.

(Marchés Tropicaux, Paris, 18/10/69)

Sudan - United Arab Republic : On August 31 the Governments of the Sudan and the United Arab Republic entered into several agreements aimed at promoting economic co-operation between the two countries. The agreements envisage the free movement of goods and labor and the formation of a permanent joint council for economic co-ordination in trade, communications, agriculture, and industry. A technical agreement provides for the exchange of experts and training scholarships, and for the establishment of a technical co-operation office.

It was also agreed to set up joint companies to clear the Nile of water hyacinth and to improve navigation, to exploit river transport between the High Dam and southern Sudan, and to co-ordinate cotton marketing.

(International Financial News Survey, Washington, 31/10/69).

Sudan - United Arab Republic : During his visit to the U.A.R. the Sudanese Minister of Agriculture signed an agricultural co-operation agreement involving £S 14.5 million. This agreement provides, in particular, for mutual trade in agricultural produce and livestock. Sudan will despatch to its partner a certain number of animals on the hoof and Egyptian veterinary experts are expected shortly in Khartoum to make final arrangements for the deliveries concerned.

(Marchés Tropicaux, Paris, 18/10/69)

C O M M O D I T Y N E W S

Cocoa : The London firm Gill & Duffus has just completed its preliminary forecast for world cocoa production for the 1969/1970 season, for world consumption for the calendar year 1970 and for the probable ratio between supply and demand in the coming year.

(1) The forecast for world production is 1,279,000 long tons for the year 1969/1970, representing an increase of 3.9 per cent in relation to 1968/1969 (1,231,000 tons). In 1967/1968, world production was 1,341,000 tons and in the record year 1964/1965, 1,485,000 tons. A harvest of 340,000 tons is expected in Ghana (all figures include intermediate crops), 200,000 tons in Nigeria, 155,000 tons in Ivory Coast, 108,000 tons in Cameroon, 165,000 tons in Brazil. Atmospheric conditions in West Africa have been less favourable during the last two or three months, rains during the period having been insufficient at first and subsequently too abundant in many regions. However, in general, atmospheric conditions could be considered as more or less normal.

Prospects for the current harvests in West Africa are not very clear this year, divergencies between forecasts from authorized sources being fairly wide. A comparison of weekly sales figures, particularly those concerning Ghana and Nigeria, with those for preceding years, gives little idea of the size of the total harvest. The situation will not be clarified until the end of December or perhaps even January.

(2) World consumption for 1970 is estimated at 1,286,000 long tons (at current prices), being a decrease of 3.9 per cent compared with 1969 (1,338,000 tons estimated) and of 4.2 per cent compared with 1968 (1,396,000 tons). Estimates for consumption in individual countries in 1970 are as follows: United States, 250,000 tons; Federal Republic of Germany, 120,000; USSR, 112,000 the Netherlands, 105,000; United Kingdom, 86,000; and France, 42,000 tons.

Exceptionally high cocoa prices have led to a decrease in world consumption, due mainly to increased use of substitutes and a more sparing use of cocoa itself. In many countries, prices charged to the consumer do not yet reflect current cocoa market prices and further price increases must be expected in 1970, independently of any change in market price levels. These higher consumer prices will continue to have an unfavourable effect on cocoa consumption during 1970

(3) On the basis of the usual estimates for crops and consumption, supply and demand appear to be approximately in equilibrium for 1970. The increase in world production seems to have been less than was hoped three months ago, when a small surplus was expected. However, the crop deficiencies of the last four years may have come to an end, suggesting that the price mechanism has successfully fulfilled its role of bringing supply and demand into equilibrium. It has been noted that consumption begins to decline at a price level of £ 400 per ton (approximately 43 cents per lb).

The equilibrium between supply and demand in 1970 does not depend only on harvesting results, but also on the consumption level during the year to come. The spectacular change in the stock-piling policy of the world's principal chocolate manufacturers is not expected to be countermanded in the immediats future and may indeed become a permanent feature. Industrialists have become used to working with smaller stocks than previously and although a finely balanced statistical situation may be expected to continue, it seems that this factor, as far as can be foreseen at present, will have less effect on prices than in the past. It is perhaps significant that West African sales are at present lower than those of last year, which is the opposite of what has happened during the past few years. 80 per cent of crops, according to current estimates for the latter (including supplies to industry), are being marketed, against 90 per cent for the same period last year.

The cocoa situation for 1970 should be clearer at the end of this year, when further information on harvest results will be available. If the forecasts given above are not fulfilled, it is probable that shortages will occur. On the other hand, if production increases and the forecasts are exceeded, there will be a surplus. It will be some time before the difficult question of the balance between supply and demand is resolved, and since world stocks are low, the market could react readily to any substantial change in the supply situation.

(Marchés Tropicaux, Paris, 6/12/69)

Coffee : The United States Department of Agriculture has recently published its second forecast for world coffee production for the 1969/1970 season; the figure is slightly lower than that given in the June forecast (cf. F.T.L. No. 25). The estimate for total world coffee production is now 65,130,000 sacks of 60 kg, and exportable production 47,139,000 sacks.

The lower figure for exportable production in relation to the June estimate is mainly due to lower estimates for Uganda, Ivory Coast and Kenya, and also to a re-evaluation of Ethiopian internal consumption. The effect of the frosts which severely damaged Brazilian plantations at the beginning of July, in the States of Parana, the country's principal coffee producing area, are still difficult to evaluate precisely; the 1970-1971 Parana crop will be much affected and will be sharply reduced.

The American Department of Agriculture further states that carried-over coffee stocks diminished sharply during the 1968/1969 season, due to the relative decline in the world coffee crop and to the high level of shipments consigned to traditional markets and to Appendix B. The Department's estimate for coffee stocks held in the producer countries is about 44,500,000 sacks of 60 kg.

Besides the foregoing information, the American Department of Agriculture gives a detailed table of world exportable coffee production for the season which just begun (in 60 kg sacks):

	1966/67	1967/68	1968/69	Second estimate 1969/1970
North America				
Costa Rica	1,080	1,210	1,115	1,150
Dominican Republic	340	465	365	415
Salvador	1,825	2,260	1,755	2,150
Guatemala	1,450	1,625	1,415	1,610
Haiti	290	320	280	315
Honduras	250	390	300	335
Mexico	1,350	1,550	1,400	1,500
Nicaragua	420	490	485	490
Other countries	96	102	90	88
Total North America	7,101	8,412	7,205	8,053
South America				
Brazil	12,000	14,745	8,000	11,250
Colombia	6,350	6,700	6,570	6,530
Ecuador	780	975	795	590
Peru	675	670	645	740
Venezuela	175	130	160	160
Other countries	53	67	100	90
Total South America	20,033	23,287	16,270	19,360
Africa				
Angola	3,240	3,340	3,115	3,290
Burundi	235	310	295	295
Cameroon	970	1,070	1,070	1,070
Central African Republic	135	170	155	145
Congo (Kinshasa)	850	950	950	1,050
Ethiopia	1,385	1,380	1,420	1,375
Guinea	105	155	175	160
Ivory Coast	2,145	4,445	3,450	3,950
Kenya	915	630	755	815
Madagascar	760	990	835	680
Rwanda	150	180	215	205
Sierra Leone	55	70	85	75
Tanzania	975	725	885	885
Togo	90	225	195	170
Uganda	2,435	2,685	3,135	2,735
Other countries	345	350	363	348
Total Africa	14,796	17,675	17,098	17,248

Asia and Oceania	1966/67	1967/68	1968/69	Second estimate 1969/1970
India	700	350	565	575
Indonesia	1,490	1,650	1,500	1,500
Other countries	334	402	413	413
Total Asia and Oceania	2,524	2,402	2,478	2,478
Total world exports	44,448	51,776	43,051	47,139

(Marchés Tropicaux, Paris, 18/10/69)

Coffee

International Coffee Organization : Having estimated the total of exports for the coffee year 1969/1970 at 52,200,000 bags (resolution 215), the Executive Board fixed the preliminary annual export quota for the same year at 46 million bags (resolutions 216 and 217), to be divided between exporting member countries, to each of which a base quota is assigned in accordance with the table given below (figures represent 60 kg. bags).

Besides the preliminary quota of 46 million bags, the Board decided to create a reserve quota of 2 million bags, to be released or blocked under given conditions in accordance with the "mean composite price" of the principal coffee varieties.

The "mean composite price" (based on New York dockside quotations for immediate shipment) is computed in the following way:

(1) Mean of Colombian Arabica and other Sweet Arabicas: every day, the Executive Director notes the prices of Salvador, Guatemala and Mexican types and calculates their arithmetical mean. The mean between the resulting figure and the corresponding price for Colombia is then calculated to determine the Sweet Arabica price for that day.

(2) Sweet Arabica: Every day, the Executive Director notes the price of Santos 4 as being representative of unwashed coffees.

(3) Robusta: The price is calculated daily by taking the mean of Ambriz II AA and Uganda Native Standard quotations.

Provision is made for another procedure if one or other of the prices concerned should not be quoted; the mean composite price is then calculated by taking the arithmetical mean of prices for each of the three groups in the manner set out above.

Once the mean composite price has been established, the procedure for release or blocking of the reserve quota is as follows:

(1) Release of Yuota: if, during a period of 15 consecutive market days beginning during the first quarter of the coffee year, the mean composite price has been equal to or greater than 38.65 cents per lb, the Executive Director releases 500,000 bags, to be applied entirely to the quarter during which the 15-day period ended. This amount is divided pro rata among all exporting members having base quotas.

If, during a period of 15 consecutive market days beginning during the second quarter, the mean composite price has been equal to or greater than 39.67 cents per lb, the Executive Director releases 750,000 bags under the same conditions as above.

If, during a period of 15 consecutive market days beginning during the third quarter, the mean composite price has been equal to or greater than 40.67 cents per lb, the Executive Director releases 750,000 bags under the same conditions as above.

(2) Blocked quotas: if, on the contrary, during a period of 15 consecutive market days beginning during the first quarter, the mean composite price has been equal to or less than 36.67 cents per lb, the Executive Director blocks 750,000 bags, to be deducted exclusively from the quarter following that during which the 15-day period ended. This negative quota is applied pro rata to all exporting member countries having base quotas.

If, during a period of 15 consecutive market days beginning during the second quarter, the mean composite price has been equal to or less than 36.67 cents per lb, the Executive Director blocks 750,000 bags under the same conditions as above.

If, during a period of 15 consecutive market days beginning during the third quarter, the mean composite price is equal to or less than 36.67 cents per lb, the Executive Director blocks 500,000 bags, to be drawn wholly from fourth-quarter production, under the same conditions as above.

The provision concerning pro rata allocations are a new element in the machinery of the agreement.

Selectivity

The "selective supply and demand adjustment system", undoubtedly the principal theme of the London discussions, has been maintained and improved and is now appended to the provisions concerning reserve quotas.

This system (resolution 218), in force during the coffee year 1968/1969, ending in three weeks' time, has now been modified in various ways (resolution 179).

(1) Price differentials have been modified. Brazil pressed for an increase of 4 cents in the index prices, but the United States declined to accept an increase exceeding 0.5 cents. Finally, mutatis mutandis, the differential was raised to 1.5 cents. To clarify the situation, the resulting price differentials are given below:

	1969/1970		1968/1969	
	Floor	Ceiling	Floor	Ceiling
Sweet Arabica "Colombia"	40.75	44.75	39.25	43.25
Other Sweet Arabicas	38.75	42.75	37.25	41.25
Unwashed Arabica	36.75	40.75	35.25	39.25
Robusta	32.00	36.00	30.50	34.50

(2) Selective quota adjustments are applied as follows: if the mean of daily quotations for one of the groups above exceeds the ceiling price continuously during a period of 20 consecutive market days (not 15, as formerly, v. resolution 179), the quota will be increased by 2.75 per cent (against 3 per cent formerly) for each member of the group concerned. Increases will henceforth be limited to 8.25 per cent of the annual quota (in three instalments of 2.75 per cent), whereas until now no limit was imposed; they will apply to the quarter in which the 20-day period ends.

On the other hand, selective quota cuts may be made if the market price of one or more of the four groups falls below its respective floor price. Quota cuts will also be limited, to a maximum of 5 per cent of the total annual export quota. The reference period in this case is likewise increased, from 15 to 20 days.

EXPORT QUOTAS 1969/1970

	October-December	January-March	April-June	July-September	Annual Quota
Overall total	11,838,943	11,840,096	11,188,299	11,132,662	46,000,000
Sweet Arabica "Colombia"	1,798,502	1,772,923	1,255,708	1,690,450	7,017,583
Colombia	1,434,670	1,434,669	1,434,670	1,434,669	5,738,678
Kenya	197,410	183,310	183,310	141,007	705,037
Tanzania	166,422	154,944	137,728	114,774	573,868
Other Sweet Arabicas	2,616,749	2,625,554	2,028,298	2,061,921	9,332,522
Burundi	60,000	36,000	84,000	60,000	240,000
Costa Rica	225,449	315,627	180,358	180,358	901,792
Dominican Republic	149,206	127,891	85,260	63,945	426,302
Ecuador	178,309	166,012	129,120	141,417	614,858
Salvador	451,716	420,563	317,105	358,257	1,557,641
Quatemala	427,941	398,428	309,889	339,402	1,475,660
Haiti	116,495	108,461	84,358	92,393	401,707
Honduras	52,263	135,884	73,168	87,105	348,420
India	86,695	65,888	104,034	90,163	346,780
Jamaica	6,250	6,250	6,250	6,250	25,000
Mexico	432,860	404,003	288,573	317,431	1,442,867
Nicaragua	130,760	121,742	94,688	103,706	450,896
Panama	6,875	6,875	6,875	6,875	27,500
Peru	181,998	181,998	121,332	121,332	606,660
Rwanda	30,000	50,000	80,000	40,000	200,000
Venezuela	79,932	79,932	53,288	53,287	266,439
Unwashed Arabica	4,675,283	4,650,787	4,577,300	4,601,795	18,505,165
Bolivia	13,750	13,750	13,750	13,750	55,000
Brazil	4,288,842	4,288,842	4,288,842	4,288,841	17,155,367
Ethiopia	355,191	330,695	257,208	281,704	1,224,798
Paraguay	17,500	17,500	17,500	17,500	70,000
Robusta	2,748,409	2,790,832	2,826,993	2,778,496	11,144,730
Congo(Kinshasa)	163,962	245,943	245,943	163,963	819,811
Ghana	16,269	15,147	11,781	12,903	56,100
Guinea	36,892	36,892	36,891	36,891	147,566
Indonesia	278,121	278,121	278,121	278,121	1,112,484
Liberia	18,480	17,820	15,180	14,520	66,000
Nigeria	15,600	15,600	10,400	10,400	52,000
OAMCAF	1,124,636	1,124,635	1,124,636	1,124,635	4,498,542
Portugal	568,949	568,949	568,949	568,949	2,275,796
Sierra Leone	18,942	17,138	31,570	22,550	90,200
Trinidad & Tobago	18,975	22,011	15,939	18,975	75,900
Uganda	487,583	448,576	487,583	526,589	1,950,331

(Marchés Tropicaux, Paris, 6/9/69)

Cocoa/Coffee

Ivory Coast : For the 1969/1970 crop year beginning October, 1969, producer prices for coffee and Cocoa (in the Ivory Coast) have been raised in view of expected favourable world market conditions. The producer price for coffee was raised from CFAF 90 (32 US cents) a kilogramme to CFAF 95 per kg., i.e. by 5.5 per cent, while that for cocoa was raised from CFAF 70 per kg to CFAF 80 per kg., i.e. by 14.3 per cent.

(International Financial News Survey, Washington, 5/12/69)
(Marchés Tropicaux, Paris, 11/10/69)

Ground nuts : A sales promotion and publicity office for ground-nuts will be set up in Geneva by the African Ground-nut Council which has just held its 12th ordinary session in Dakar. During the meeting, the Council voted the financial budget necessary for the office which will aim at increasing sales in European countries.

The African Ground-nut Council, which has its headquarters in Lagos, was set up in 1964 and comprises seven member countries who produce about 20 per cent of world production, they are: Nigeria, Senegal, Niger, Sudan, Gambia, Mali and Congo-Kinshasa.

Steps are also underway, sponsored by the FAO to set up a world agreement between the producer (under-developed) countries and consumer (developed) countries. Also to step up ground-nut sales, the Council appointed a director for scientific and technical research who will contact other research organizations.

(Africa, Paris, 14/11/69)

Sugar : The seventh session of the Executive Board of the African and Malagasy Sugar Agreement was held in Tananarive from 9 to 11 October.

According to the final communiqué published at the meeting's conclusion, the Board heard a report of activities by the Executive Director and decided to submit a general report on the operation of the agreement to the next conference of Heads of State of the OCAM countries, to be held in January 1970 at Yaoundé.

The Board noted the provisions concerning regional organizations adopted in the new convention of association and expressed its satisfaction with regard to the possibilities thus offered for the sugar agreement to benefit from assistance from the European Economic Community. The Board hoped, however, that these provisions might be completed by more appropriate trade arrangements. In respect of the EEC's decision to advance $ 1.2 million to the organization's equalization fund, directives were issued for the rapid completion of this operation.

The Board then examined supply difficulties resulting from freight rate increases, whose repercussions were already being felt in the CAF prices of sugar imports, especially in the case of direct imports. It expressed concern regarding possible consequences of this situation on the economies of member States already affected by price increases due to the recent devaluation of the franc.

Besides Madagascar and Congo(Brazzaville), the principal producer countries of the OCAM, Cameroon, Ivory Coast (also representing Gabon), Upper Volta, Niger and Senegal took part. The eighth session will be held at Niamey in May 1970.

On the subject of cost prices, the Board considered that a great step forward had been taken, thanks to expert reports presented on either side. It noted that the producer countries had understood the concern of the importing countries and had made a concession by accepting a reduction in the equalization tax paid by the latter; the figure concerned will be 4,500 francs CFA per ton for next season, against 8,500 francs per ton previously.

(Marchés Tropicaux, Paris, 18/10/69)

Sugar : The International Sugar Council, which held its meeting between November 17-21, decided that initial quotas for 1970 should be fixed at 90 per cent of basic export tonnage. The new quotas were based on estimates of a total free market import demand for 1970 of 8.6 million tons, without making allowances for the effects, which were tentatively expected to be limited, of the recent prohibitions by a number of countries of the use of cyclamates for human consumption. It was expected that supplies from non-members in 1970 would be of the order of 1,2 million tons.

The Council also drew up a series of provisional arrangements to meet delivery of exports to traditional markets in the event of prices rising more than 6.5 per cent per pound (weight).

(International Financial News Survey, Washington, 5/12/69,)
Africa, Paris, 25/11/69)

Tea : Tea exporting countries have confirmed a scheme to remove some 90 million lb of black tea from the 1970 export market. This is in line with the scheme agreed by producing countries at a conference held in July (see FTNL No. 25).

Countries accounting for 94 per cent of world export of tea (excluding the centrally planned countries) announced their intention to adopt the Mauritius export restriction plan, with some adjustments, to first session of the newly formed consultative committee on tea.

The exporting countries measure, designed to hold world market prices for tea as near as possible to the 1968 level, was welcomed by delegates from importing countries. The 1968 prices were the lowest in 15 years, but without the Mauritius plan it was estimated the average price per pound on the London tea auctions in 1970 might fall by a further 4d.-6d. The average London tea price so far this year is 3s. 7.8d a pound compared with 3s 11.35d last year.

Because of the exporters' decision, the distribution of net exports of black tea in 1970 will be as follows:

Country	Quantity (m. lb)
Ceylon-India	928
Indonesia	77
Kenya	76
Uganda	54.1
Malawi	36.2
Mozambique	36.2
Argentina	32.5
Congo Republic	22
Turkey	20.6
Tanzania	17.1
Mauritius	9.5
Taiwan	8.1
Rwanda	3.3
Cameroon	2.0
Vietnam Republic	1.5
Burundi	0.5
TOTAL	1,324,6
Less estimated 1 per cent short fall	13.2
FINAL TOTAL	1,311.4

The meeting was told that because of projected new plantings in several countries, the rate of increase in world production would not sulken in the coming five or six years, and supply would continue to outgrow demand.

At the same time consumption per capita of tea was falling off in an increasing number of importing countries, with the notable exception of the US where instant tea and "tea mixes" enjoy growing popularity. Instant tea is reported to accountfor 25 per cent of the total market, while tea mixes have some 6 per cent.

The meeting had before it the report of an FAO ad hoc working party on international arrangements for the stabilization of tea prices and its draft of an export quota types of agreement.

The consultative committee established a working party on long-term measures, composed of producers and importers, to make recommendations after studying information on production, quality, market structure and consumption trends. The working-party will also consider long-term international co-operation to achieve prices equitable to the consumer and remunerative to producers. The committee also set-up a standing exporters' group to provide a regualr forum in which tea producing countries could discuss matters of common interests and formulate proposals.

The second session of the consultative committee on tea, preceded by the producers' meeting, is to be held in mid-1970. It will review the progress made and decide on any amendments required.

(The Financial Times, London, 9/12/69)

EXCHANGE RATES
NATIONAL CURRENCY PER US DOLLAR

Country	Unit	Rate
Algeria	Dinar	4.500
Botswana	Rand	0,7143
Burundi	Franc	87.50
Cameroon	Franc CFA	277.71
Central African Republic	Franc CFA	277.71
Chad	Franc CFA	277.71
Congo (Brazzaville)	Franc CFA	277.71
Congo (Kinshasa)	Zaires	0,50
Dahomey	Franc CFA	277.71
Ethiopia	Dollar	2,50
Gabon	Franc CFA	277.71
Gambia	Pound	0.4167
Ghana	New Cedi	1,0204
Guinea	Franc CFA	277.71
Ivory Coast	Franc CFA	277.71
Kenya	Shilling	7.143
Lesotho	Rand	0.7143
Liberia	Dollar	1.00
Libya	Pound	0.3571
Madagascar	Franc MG	277.71
Malawi	Pound	0.4167
Mali	Franc	555.42
Mauritania	Franc CFA	277.71
Morocco	Dirham	12.49
Niger	Franc CFA	277.71
Nigeria	Pound	0.3571
Rwanda	Franc	100,00
Senegal	Franc CFA	277.71
Sierra Leone	Leone	0.8333
Somalia	Somali Shilling	7.143
Sudan	Pound	0.3482
Tanzania	Shilling	7,143
Togo	Franc	277.71
Tunisia	Dinar	0.525
Uganda	Shilling	7.143
United Arab Republic	Pound	0.4348
Upper Volta	Franc CFA	277.71
Zambia	Kwacha	0.7143

Source : United Nations, Monthly Bulletin of Statistics, January 1970.

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